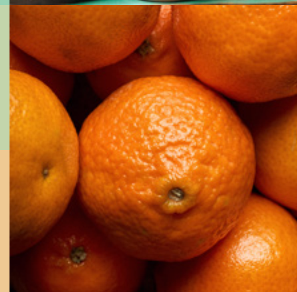


Annual Report & Sustainability Report 2023

Cheffelo

LINAS

Godt Levert

RETNEMT

Adams.

Table of content

About Cheffelo

Cheffelo (formerly LMK Group) offers a subscription service for well-planned meal solutions in the Scandinavian market under the brands Linas Matkasse (Sweden), Godtlevert and Adams Matkasse (Norway) and RetNemt (Denmark). Local chefs and dieticians create tasty, well-balanced, and nutritionally calculated recipes that are delivered to the customer's door with precisely the right quantity of hand-picked quality ingredients.

The mealkit service saves time, helps reduce food waste and provides inspiration in the kitchen. Cheffelo offers its customers the widest range of recipes on the market, and numerous possibilities for customizing the week's menu.

The subscription is managed via a mobile app or via the company's website and the service is operated using proprietary technology solutions and a strong, scalable supply chain with efficient processes. Cheffelo's activities cover everything from recipe creation, planning and purchasing, marketing, production, and logistics, to customer experience including its award-winning customer service. Through a strong local presence in each market, combined with insights from data points and consumer panels, the company has a detailed understanding of customer behaviors and needs. This local customer focus has contributed to Cheffelo's well-established position in the Scandinavian market.

Founded in 2008, Cheffelo has pioneered a completely new business model in the food industry. Today, Cheffelo's 406 employees work across five sites in Sweden, Norway and Denmark. Since spring 2021, Cheffelo is listed on Nasdaq First North Premier Growth Market, under the ticker CHEF. In 2023, the Group changed its name from LMK Group to Cheffelo, with the aim of supporting the further development of the company's culture, better representing its operations and of creating a stronger employer brand.

In 2023, Cheffelo had approximately 68.7 thousand active customers, delivered close to 15 million meals, generated net sales of SEK 1.0 billion and an operating profit (EBIT) of MSEK 30.7. The business is operated through the subsidiaries Cheffelo Sweden AB, Cheffelo Norway AS and Cheffelo Denmark ApS.

Timeline

2006
Klaus Toft-Nørgaard co-founds RetNemt

2008
Lina Gebäck and Niklas Aronsson founds Linas Matkasse

2010
Godtlevert is founded

2012
Adam Bjerck co-founds Adams Matkasse

2014
LMK Group acquires a majority stake of Adams Matkasse AS in Norway

2016
LMK Group acquires Retnemt and Sannan Roukakassi in Finland

2017
Godtlevert is acquired and merged with Adams Matkasse

2018
Sannan Roukakassi is sold off to focus on strategic markets

2021
LMK Group is listed on Nasdaq First North

2024
LMK Group changes corporate name to Cheffelo. New ticker CHEF.

Cheffelo in Figures

Portions delivered in 2023
15 M

Employees
406

Net sales
MSEK 999.7

Operating profit (EBIT)
MSEK 30.7

Dividend per share
SEK 1.78

Deliveries
1,159 K

EBIT margin %
3.1 %

Number of customers
68.7 K

Average order value
SEK 863

Earnings per share
SEK 1.52

Cheffelo's markets

NORWAY
GODTLEVERT & ADAMS MATKASSE
200 employees with net sales of MSEK 508.6 in 2023.

SWEDEN
LINAS MATKASSE
144 employees with net sales of MSEK 370.0 in 2023.

DENMARK
RETNEMT
62 employees with net sales of MSEK 121.1 in 2023.

Comments from the CEO

2023 – a year of positive transition
Looking back at 2023, I'm very proud of what the team has accomplished in transitioning the business and leaning forward into the future. We returned to growth across the entire business by the end of the year and did it with a record contribution margin rate, respectable profitability, and good cash flow despite a challenging business climate.

Strategic Execution
In early 2023, we communicated new financial targets combined with three Must-win-battles that were of the highest priority. We are very happy with the success achieved in all areas.

The first of these, Increasing Volumes in Denmark, is an obvious highlight for the year with a decisive rebound in our Danish brand, RetNemt, which despite a sharp contraction in the first half of 2023, returned to strong growth in the second half, and finished the full year showing growth in delivery volumes and net sales. Our business in Denmark is continuing to develop well in early 2024, and as volumes grow, we expect further improvements in profitability to follow.

Another priority area was Increase Marketing Excellence, a theme that is mainly focused on acquiring more, good customers, at a lower acquisition cost. We have been able to increase our customer acquisition during 2023 with step change improvements in e-commerce capabilities combined with the Weight Watchers partnership in Sweden and the acquisition of a competitor's customer relationships in Denmark. The increase in new customer inflow, while reducing the total sales and marketing expense, has led to a clear decrease in the cost of acquiring new customers during the year.

The third focus area is the ongoing effort to Cultivate Epic Customer Experiences so that customers never have a reason to pause their subscription. We were delighted to experience an increase in the average recipe rating scores across all brands during the year. In the fourth quarter, we increased the delivery option windows offered in Norway and Sweden and aim to continue improving this, primarily in urban areas. We have continued our Operational Excellence program and over the year we have brought down the customer complaints rate significantly while achieving our aggressive customer service satisfaction target.

Profitable Growth In Focus
As we look forward, it is important to acknowledge that there is still a lot of uncertainty in the operating environment. Growth is often a bumpy process, and we are seeing different marketing conditions in Denmark from Sweden and Norway. In 2024, we will continue to focus on strengthening the core of the business while we explore new growth vectors. In this respect, the themes of Increasing Marketing Excellence and Epic Customer Experiences continue to be prioritized.

In relation to marketing excellence, we will continue to drive performance marketing capability improvements together with expanding our social selling efforts. Our new Nordic

value proposition is playing a big part in shifting our brand perception while we are working to streamline marketing efficiency and product development alignment in all three markets. We will also continue to develop our partnership network that builds on both our own capabilities and the strength of other brands.

In terms of improving the customer experience, we remain dedicated in our efforts to move beyond basic flexibility to a highly personalized offering that is intuitively simple to use. A lot of energy is also being devoted to what we call the kitchen experience. We are concentrating on add-ons and groceries, both to improve visibility as well as the relevance of the assortment as we see that this offers good potential to complement the meal kit experience and increase our revenue stream. Finally, we remain acutely aware that the quality and consistency of our packing and delivery operations are an important part of why customers keep coming back, so our longstanding Operational Excellence initiative remains in strong focus.

In with the new

In September, we changed our corporate brand and were happy to be reborn as Cheffelo. The strength of our company going forward is based on a talented, cohesive organization that can effectively coordinate activities and operations across five locations. Achieving this requires a common identity and a strong sense of "we", which was difficult to muster with our previous corporate brand; LMK Group. Cheffelo does not replace the strong local consumer brands that we have built up over the past 15 years, but it is a name that traverses language boundaries much better and has development potential for the future of our business.

Our sustainability journey continues as well, and in our Sustainability Report for 2023, we present new environmental and social targets that are prioritized and on which we will provide future progress updates.

The long-term future of the meal kit space is supported by steady shifts in eating trends such as time constraints, more demand for sustainable eating, increased awareness of the relationship between food and well-being, and the continued digitalization of society. That said, we see a market environment, which will continue to pose challenges in the near term, but our team is up to the task. With consumer confidence still low in Sweden and Norway, a key factor for accelerating growth in these markets will be the easing of interest rates which is expected to begin during 2024. Market conditions have hastened consolidation and we have seen several exits from the meal kit and online-grocery space as cost of capital demands have weeded out competitors. For long-term profitable growth, we need to continue strengthening our core business.

In conclusion, the Cheffelo team has done a fantastic job in 2023, successfully returning the business to a growth trajectory with solid profitability. As a long-time meal kit subscriber, I can state that their remarkable dedication has a positive personal impact on how my family eats as we gather around the dinner table at the end of the day. Everyone in the Cheffelo team deserves a big thank you for their efforts during the past year and has every right to feel very proud of where the business is headed.

Walker Kinman
CEO

Strategi

Our focus remains on strengthening our core business

During 2023, we delivered on our strategic Must-Win-Battles and our focus remains on two core areas, Marketing Excellence and Epic Customer Experiences.

Increase Marketing Excellence

Increase Marketing Excellence aims to lower the cost of customer acquisition and retention and to further increase marketing efficiency. Our focus in this area is on:

- Performance marketing and social selling
- Our new Nordic value proposition
- Strategic partnerships

Cultivating EPIC Customer Experiences

Cultivating EPIC customer experiences is about driving customer loyalty, ensuring that each step of the customer journey is a delight to the customer.

Our focus is on:

- Increased personalization
- Improving the kitchen experience
- Add-ons and groceries
- Operational Excellence

Our financial targets are aligned with the execution of our strategy and after the stabilization of our net sales and return to growth in late 2023, the focus has shifted to achieving our growth target of SEK 1.2b in 2026 with 4-6% EBIT margins at that level.

Financial targets

Long-term profitable growth:

- Net Sales CAGR of 6-8%
  SEK 1.2b in 2026
- EBIT margin approx. 4-6%
  SEK 50-70 million range in 2026

Corporate Governance report

Good corporate governance is an important element in ensuring the confidence of Cheffelo's stakeholders and also strengthens the focus on business value and shareholder value in the company. The Board of Directors and Group Management strive to make it easier for individual shareholders to follow the company's decision-making processes and to clarify where responsibilities and powers lie in the organization.

This Corporate Governance Report has been prepared in accordance with the provisions of the Annual Accounts Act and the Swedish Corporate Governance Code (the "Code"). The Corporate Governance Report has been audited by the company's auditor in connection with the statutory audit.

Cheffelo AB (publ) is a Swedish public limited company. Cheffelo's corporate governance is generally based on Swedish legislation, primarily the Swedish Companies Act, the Articles of Association and internal rules, including policies and instructions. As the company is listed on Nasdaq First North Premier Growth Market, Cheffelo applies Nasdaq First North Premier's rules for issuers and the Swedish Corporate Governance Code.

The Code is based on the "comply or explain" principle. This means that a company applying the Code may deviate from individual rules but must then give reasons for the deviation. In cases where Cheffelo has chosen to deviate from the Code's rules, a justification is provided.

Responsibility for the management and control of Cheffelo is shared among the shareholders through the Annual General Meeting, the Board of Directors and its elected committees, and the CEO. Governance and internal control comply with the Swedish Companies Act, other legislation and regulations, applicable rules for companies traded on a regulated marketplace, the Articles of Association and the Board's internal governance instruments. The objective of the work within Cheffelo is to create added value for customers, suppliers, and employees, while also contributing to sustainable societal development. The purpose of corporate governance is to define a clear division of responsibilities and roles among shareholders, the Board of Directors, the CEO and Group Management and the various control bodies.

A. Shareholders

Cheffelo is a Swedish public limited company whose shares are traded on Nasdaq First North Growth Market Stockholm. Cheffelo has approximately 2,000 shareholders, where each share carries one vote. The business is Scandinavia-based, with a presence in three countries.

As of December 31, 2023, Cheffelo AB (publ) had 2,083 shareholders. The ten largest shareholders held a total of 56% of the capital and votes as of December 31, 2023.

Shareholder	Number of shares	Share of votes %
Angur Invest AS	1,483,670	11.7%
Niklas Aronsson	1,014,081	8.0%
Olle Qvarnström	811,413	6.4%
Avanza Pension	681,728	5.4%
Carolina Gebäck	676,055	5.3%
The Invus Group	571,821	4.5%
Acton Capital	505,050	4.0%
Nordnet Pensionsförsäkring	480,528	3.8%
Sniptind Invest AS	470,748	3.7%
Moneta Asset Management	435,000	3.4%
Total, 10 largest shareholders	**7,130,094**	**56.2%**
Other shareholders	5,548,498	43.8%
Total	**12,678,592**	**100.0%**

Articles of Association

Cheffelo's current Articles of Association were adopted at the Extraordinary General Meeting on September 15, 2023. According to the Articles of Association, the company's business involves the direct or indirect resale of food and related services, such as packaging, home delivery, planning and production of menus and recipes, as well as owning and managing real and personal property, and engaging in related activities. The Articles of Association also stipulate the rights of shareholders, the number of directors and auditors, that the Annual General Meeting shall be held annually within six months of the end of the fiscal year, how notice of the Annual General Meeting shall be given and that the registered office of the company's Board of Directors shall be in the municipality of Sundbyberg. The fiscal year of the company is the calendar year. The Annual General Meeting shall be held in the municipality of Sundbyberg. The Articles of Association do not limit the number of votes that each shareholder may cast at an Annual General Meeting. Furthermore, the Articles of Association do not contain specific provisions on the appointment and dismissal of directors and on the amendment of the Articles of Association. For the current Articles of Association, see cheffelo.se/corporate-governance/.

B. Annual General Meeting

The Annual General Meeting (AGM) of Cheffelo is the highest decision-making body and the forum through which the shareholders exercise their influence over the company. The duties of the AGM are regulated by the Swedish Companies Act and the Articles of Association. The AGM decides on a number of key issues such as the adoption of the income statement and balance sheet, discharge from liability of the members of the Board of Directors and the CEO, dividends to shareholders and the composition of the Board of Directors. Further information about the AGM and full minutes of previous AGMs and Extraordinary General Meetings are available at www.cheffelo.se.

The AGM is held annually within six months of the end of the fiscal year. Notice of General Meetings shall be given by advertisement in the Swedish Official Gazette and on the company's website, not earlier than six and not later than four weeks before the meeting.

2023 Annual General Meeting

At the AGM on April 27, 2023, shareholders representing approximately 30% of the company's share capital and votes participated. Mathias Hedlund was elected chairman of the meeting. The meeting approved the income statement and balance sheet, as well as the consolidated income statement and consolidated balance sheet.
The meeting approved the Board's proposal for the appropriation of the year's profits, which resulted in a dividend totaling SEK 3,803,578, equivalent to SEK 0.30 per share. The AGM resolved to discharge each of the Board members and the CEO from liability for the 2022 financial year.

Furthermore, it was decided that the number of Board members shall be five without deputies and that a registered auditing firm shall be appointed as auditor. It was resolved that fees shall be paid to the Board members. Charlotte Gogstad, Therese Reuterswärd, and Johan Kleberg were re-elected as ordinary Board members, and Petter von Hedenberg and Olle Qvarnström were newly elected. Mathias Hedlund and Gert Munthe had declined re-election. It was decided to re-elect the registered auditing firm KPMG AB as the company's auditor until the end of the next AGM.

It was also resolved to adopt a long-term incentive program for senior executives in the form of a warrant program and to issue stock options. For further information regarding the stock option program, see Note 5.

C. Nomination Committee

The main duty and responsibility of the Nomination Committee is to present proposals for the election of the Chairman of the Board of Directors, the members of the Board of Directors and the auditors of the company, as well as the fees and other remuneration for Board duties to each of the members of the Board of Directors and the auditors.

The company shall have a Nomination Committee consisting of one representative from each of the three largest shareholders or groups of shareholders in terms of voting rights who wish to appoint a representative, and the Chairman of the Board. If any of the three largest shareholders or shareholder groups in terms of voting rights waives its right to appoint a member to the Nomination Committee, the next largest shareholder or shareholder group shall be given the opportunity to appoint a member.

The current instructions for the Nomination Committee were adopted at the AGM on March 14, 2021.

Nomination Committee for the 2024 Annual General Meeting
The Nomination Committee consists of Andreas von Hedenberg, appointed by Angur invest, Niklas Aronsson representing himself, Robin Gustafsson representing Olle Qvarnström and OQAB, and Petter von Hedenberg as Chairman of the Board of Cheffelo.

Proposals to the Nomination Committee may be submitted to: ir@cheffelo.com. The Nomination Committee can also be contacted by mail at the address Cheffelo AB (publ.), Nomination Committee, Löfströms Allé 5 (3tr), SE- 172 66 Sundbyberg, Sweden.

The members of the Nomination Committee have not received any remuneration from Cheffelo.

D. Board of Directors

The Board of Directors of Cheffelo, after the General Meeting, is the company's highest decision-making body. The Board of Directors is accountable to the General Meeting in accordance with the duty of care and fiduciary duty imposed on the Board according to applicable legislation, regulations and rules. The Board of Directors is also responsible for the fulfillment of the company's goals decided at the AGM and set out in the Articles of Association. In addition, the work of the Board is governed by rules of procedure adopted by the Board each year. The Board's rules of procedure also govern the distribution of work and responsibilities among the Board, the Chairman and the CEO and contain instructions for the CEO's reporting to the Board.

The current rules of procedure were adopted on May 2, 2023, and require the Board to meet at least four times a year, in addition to the inaugural Board meeting.

The Board of Directors shall decide on all matters that are not within the scope of the day-to-day management and on matters requiring the approval of the Board of Directors in accordance with the Companies Act or the Articles of Association. The Board's duties include setting strategies, and preparing business plans, budgets as well as interim reports and financial statements for Cheffelo. Furthermore, the Board shall supervise the work of the CEO, appoint and dismiss the CEO and decide on significant changes in Cheffelo's organization and business operations. The main duties of the Board are to set the overall goals of the company's business and decide on the company's strategy to achieve these goals; to ensure that the company has a well-functioning Group Management with appropriate remuneration conditions; to ensure that the company's external reporting is transparent and objective and provides an accurate view of the company's performance, profitability and financial position and risk exposure; to oversee financial reporting with instructions to the CEO and the establishment of requirements for the content of the financial reports submitted to the Board on an ongoing basis; to ensure that the company's insider policy and logbook procedure are complied with in accordance with legislation and the Swedish Financial Supervisory Authority's guidelines, to ensure that there are effective systems for monitoring, controlling and managing the company's operations and financial position against set objectives; to monitor and evaluate the company's performance and alert and support the CEO in taking the necessary measures; to ensure that there is satisfactory control of the company's compliance with laws and regulations applicable to the company's business; to ensure that the necessary ethical guidelines are established for the company's conduct; and to propose to the AGM any dividend, share buyback, redemption or other proposals that fall within the AGM's competence.

Composition of the Board
According to the Articles of Association, Cheffelo's Board of Directors shall consist of a minimum of three and a maximum of nine members. The current Board consists of five members elected by the General Meeting. In accordance with the Nomination Committee's recommendation, Charlotte Gogstad, Therese Reuterswärd, and Johan Kleberg were re-elected, and Petter von Hedenberg and Olle Qvarnström were newly elected. Petter von Hedenberg was elected Chairman of the Board.

According to the Articles of Association, Cheffelo's Board of Directors shall consist of a minimum of three and a maximum of nine members, without deputies. The company's Board consists of 5 ordinary Board members appointed by the General Meeting.

Name	Position	Born	Elected	Independent of the company	Independent of major shareholders
Petter von Hedenberg	Chairman	1979	2023	Yes	No
Olle Qvarnström	Board member	1990	2023	Yes	Yes
Charlotte Gogstad	Board member	1977	2021	Yes	Yes
Therese Reuterswärd	Board member	1981	2021	Yes	Yes
Johan Kleberg	Board member	1975	2022	Yes	Yes

Petter von Hedenberg

Born 1979. Chairman of the Board since 2023.

Education: Holds a degree in Business Administration from BI Norwegian Business School.

Other current positions: Working chairman of the board at Mood Holding, and CEO of Angur Invest.

Previous positions (last five years): Petter is one of the founders of the agency group Mood Gruppen (owned by Mood Holding), as well as Godtlevert.no (now part of Cheffelo).

Shareholding in Cheffelo: Petter von Hedenberg owns 1,483,670 shares in the company.

Charlotte Gogstad

Born 1977. Board member since 2021.

Education: Bachelor of Arts – International Relations and Bachelor of Business Administration from Pacific Lutheran University, Master of Business Administration from London Business School, and Executive Leadership program at Harvard Business School.

Other current positions: Chief Operating Officer of Businessclass.com, board member at Topro Industri AS and board member at Norway's Best Group AS.

Previous positions (last five years): Vice President of Product & Tech Enablement of Expedia.com Ltd., Senior Director of Global Search Marketing and Senior Director of Strategy & Business Development at Expedia.com Ltd.

Shareholding in Cheffelo: Charlotte Gogstad holds no shares in the company. Charlotte Gogstad holds 9,600 warrants in the company. [1)]

Olle Qvarnström

Born 1990. Board member since 2023.

Other current positions: CEO, Chairman of the board, and largest shareholder of Svenska Medalj AB. Board member of Envirologic AB (publ).

Previous positions (last five years): In 2015, Olle Qvarnström founded the Investor Relations company Finwire Media & Services AB.

Shareholding in Cheffelo: Olle owns 811,413 shares in the company, both privately and through companies.

1) The warrants were acquired within the framework of the long-term incentive program, which was established by the resolution of the AGM on March 14, 2021.

Therese Reuterswärd

Born 1981. Board member since 2021.

Education: Master of Science in Media Technology from the Royal Institute of Technology in Stockholm.

Other current positions: Chief Marketing Officer at JumpYard AB, deputy board member at Robam AB, and member of the Advisory Board of Beyond Retail AB.

Previous positions (last five years): Chief Marketing Officer at Qred AB, Chief Marketing Officer at Mentimeter, board member of Thule Group, Director of Product at MatHem, Head of Digital at Arla Foods.

Shareholding in Cheffelo: Therese Reuterswärd holds no shares in the company. Therese Reuterswärd holds 9,600 warrants in the company. [1)]

Johan Kleberg

Born 1975. Board member since 2022.

Education: Bachelor of Economics from the Stockholm School of Economics.

Other current positions: CEO, chairman and part-owner of Bookbinders Design and Insjöns Väveri; chairman of In-grid AB.

Previous positions (last five years): CEO of Adlibris.

Shareholding in Cheffelo: Johan Kleberg holds 2,000 shares in Cheffelo.

1) The warrants were acquired within the framework of the long-term incentive program, which was established by the resolution of the AGM on March 14, 2021.

Independence of the Board of Directors
Petter von Hedenberg is the CEO and owner of Angur Invest AB, which holds approximately 11.7% of the votes in Cheffelo. Therefore, Petter von Hedenberg cannot be considered independent in relation to the company's major shareholders according to the Code.

The other four members elected by the general meeting, Charlotte Gogstad, Johan Kleberg, Olle Qvarnström, and Therese Reuterswärd, are independent in relation to Cheffelo, Group Management, and the company's major shareholders according to the Code. None of these individuals holds a larger ownership stake than 10%. Thus, the Board meets the Code's requirement that at least two of the Board members who are independent of the company and Group Management should also be independent of the company's major shareholders.

Rules of procedure
The Board's rules of procedure with instructions for the division of labor between the Board and CEO regarding the financial reporting are updated and adopted annually. In addition to the financial reporting and follow-up of ongoing business operations and profitability trends, Board meetings deal with the company's, goals, business strategies, acquisitions and significant investments as well as matters relating to the capital structure.

The Board holds its inaugural meeting at a Board meeting held directly after the AGM. At this meeting, the Board's rules of procedure are also established along with the CEO instructions, committee instructions and other internal governance instruments. The current Board held its inaugural meeting on May 2, 2023, at which all Board members were present.

Chairman of the Board
At the inaugural Board meeting held on May 2, 2023, Petter von Hedenberg was elected as the Chairman of the Board. The Chairman of the Board is responsible for leading the work of the Board and ensuring that the Board's work is conducted efficiently and that it fulfills its duties and responsibilities. The Chairman monitors the development of the business in dialogue with the CEO and ensures that the other members continuously receive the information required to carry out the Board work with maintained quality and in accordance with the Companies Act and other applicable laws and regulations, the company's articles of association, and the Board's rules of procedure.

Board work in 2023
The Board dealt with issues related to strategy, human resources and organization. Decisions were made regarding strategy, investments, financial budget and governing policies.

During the year, the Board met 15 times, where the attendance at Board meetings in 2023 is shown in the following table.

Board member	Board meetings
Petter von Hedenberg, elected at the AGM in April 2023	12
Charlotte Gogstad	15
Olle Qvarnström, elected at the AGM in April 2023	12
Johan Kleberg	15
Therese Reuterswärd	14
Mathias Hedström	2
Gert Munthe	3

Remuneration of the members of the Board of Directors
Fees and other remuneration to the Board members, including the Chairman of the Board, are determined by the AGM. At the AGM held on April 27, 2023, it was decided that the total remuneration to the Board members, for the period until the next AGM, shall amount to SEK 1,300,000. SEK 500,000 shall be paid to the Chairman of the Board and SEK 200,000 each to Charlotte Gogstad, Johan Kleberg, Olle Qvarnström and Therese Reuterswärd. Furthermore, Charlotte Gogstad and Therese Reuterswärd are covered by the warrant program, which was approved at the AGM held on March 14, 2021.

The company's Board members are not entitled to any benefits when they resign as directors.

Evaluation of the CEO
The Board regularly evaluates the performance and competence of the CEO and Group Management. This evaluation is conducted once a year without the presence of representatives from Group Management.

Guidelines for remuneration of senior executives
At the AGM held on March 14, 2021, principles for remuneration of senior executives were decided. The company strives to offer total compensation that is market-based and thereby able to attract and retain qualified employees. Remuneration shall be based on the employee's position, responsibilities and performance. The total compensation for senior executives shall consist of fixed salary, variable cash compensation and pension.

The fixed salary forms the basis of the total compensation package. The fixed salary shall be based on the Group Management member's competence, responsibility and performance and shall be competitive with prevailing market conditions. Variable remuneration shall be linked to predetermined and measurable criteria and shall be mainly based on the Group's financial performance for the year. Variable remuneration paid in cash shall not exceed 100% of the fixed salary. Pensions must be designed to reflect normally accepted levels and practices in the country where the member of Group Management is employed. Where possible, pensions should be defined contribution plans.

The Group applies a maximum notice period of 12 months. In the event of termination by the executive, a notice period of six months generally applies. In the event of termination by LMK Group, termination benefits of up to nine months' salary may be payable.

In addition to the above-mentioned variable remuneration, share-based incentive programs may be decided from time to time, which shall be approved by the AGM.

Remuneration Committee
The Board of Directors of Cheffelo as a whole fulfills the duties of the Remuneration Committee in accordance with the Swedish Corporate Governance Code. Members of Group Management shall not participate in such work. Duties related to remuneration issues include monitoring and evaluating compliance with these guidelines as well as preparing decisions on matters of remuneration policies, compensation and other terms of employment for Group Management. In addition, ongoing and completed programs for variable remuneration of Group Management shall be monitored and evaluated.

E. Auditor
Cheffelo's auditors are appointed by the Annual General Meeting. At the 2023 AGM, the auditing firm KPMG AB was re-elected as auditor until the 2024 AGM. Authorized Public Accountant Fredrik Westin has been appointed auditor in charge. All services procured in addition to the statutory audit are specifically reviewed to ensure that there is no conflict of independence or interest. There are no agreements with related parties.

For remuneration and other fees to auditors, see Note 6.

F. CEO and Group Management
The CEO is appointed by the Board and is responsible for the day-to-day management of the company in accordance with the Board's guidelines and instructions. In connection with this, the CEO must ensure, through the necessary control systems, that the company complies with applicable legislation and regulations. The CEO provides reports at Board meetings and makes sure that the Board receives as much factual, detailed and relevant information as is necessary to enable the Board to make well-informed decisions. In addition, the CEO maintains a continuous dialogue with the Chairman of the Board and keeps him informed about the company's and the Group's performance and financial position. The company's Group Management team consists of six people from three countries, representing different functions within the company: CEO, CFO, COO, Chief Product & Procurement Officer (CPPO), Chief Commercial Officer (CCO) and Chief Technical Officer (CTO).

Group Management holds weekly management meetings and deals with performance monitoring, investments, productivity and development projects, organization and other strategic and tactical issues. Meetings are chaired by the CEO, who makes decisions in consultation with the other members of Group Management.

For principles, remuneration and other fees to the CEO and Group Management, see Note 5.

Klaus Toft-Nørgaard, *CCO*

Born 1964. Chief Commercial Officer since 2022, previously Chief Executive Officer Cheffelo Denmark ApS since 2004.

Education: Executive MBA, Copenhagen Business School and Diploma in Marketing, Southern Denmark University.

Other current positions: Chairman of the Board of Cheffelo Denmark ApS and CEO and chairman of the board of Toft Norgaard Holding ApS.

Previous positions (last five years): CEO of Cheffelo Denmark ApS.

Shareholding in Cheffelo: Klaus Toft Nørgaard, through his wholly-owned company Toft Nørgaard Holding ApS, holds 345,163 shares in the company. Klaus Toft Nørgaard holds 19,200 warrants in the 2021/2024 warrant program (1) and 25,000 warrants in the 2022/2025 warrant program. (2)

Walker Kinman, *CEO*

Born 1975. CEO since 2019

Education: Bachelor of Science, Business Administration & Finance Concentration from Boston University.

Other current positions: Chairman of the Board and CEO of Cheffelo Sweden AB, Cheffelo Newco AB, Cheffelo Norway AS, and WJK Strategic Consulting AB, and Board member and CEO of Cheffelo Denmark ApS.

Previous positions (last five years): CFO of Cheffelo AB.

Shareholding in Cheffelo: Walker Kinman holds 253,740 shares in the company and 57,600 warrants in the 2021/2024 warrant program (1), and 80,000 warrants in the 2023/2025 warrant program. (3)

Anton Nytorp, *CTO*

Born 1988. Chief Technology Officer since 2022.

Education: Master of Science in Industrial Engineering from Linköping University.

Previous positions (last five years): Head of Coop Norge's digital business CoopX, project manager at Boston Consulting Group.

Shareholding in Cheffelo: Anton Nytorp holds 45,000 shares in the company, 25,000 warrants in the 2022/2025 warrant program (2), and 20,000 warrants in the 2023/2025 warrant program. (3)

Claes Stenfelt, *CPPO*

Born 1968 Group Chief Product and Procurement Officer since 2018.

Education: Bachelor of Business Administration & Marketing from IHM Business School.

Other current positions: Board member of Cheffelo Sweden AB, Cheffelo Norway AS and Cheffelo NewCo AB.

Shareholding in Cheffelo: Claes Stenfelt holds 44,000 shares and 19,200 warrants in the 2021/2024 warrant program (1), 25,000 warrants in the 2022/2025 warrant program (2), and 40,000 warrants in the 2023/2025 warrant program. (3)

Erik Bergman, *CFO*

Born 1982. Chief Financial Officer since 2021, previously Head of Business Control since 2019.

Education: Master of Science in Business Administration and Economics from Stockholm University.

Other current positions: Board member of Cheffelo Sweden AB and Cheffelo NewCo AB.

Previous positions (last five years): Finance Partner at Tieto Sweden AB.

Shareholding in Cheffelo: Erik Bergman holds 18,883 shares in the company and 19,200 warrants in the 2021/2024 warrant program (1), 25,000 warrants in the 2022/2025 warrant program (2), and 20,000 warrants in the 2023/2025 warrant program. (3)

Vibeke Amundsen, *COO*

Born 1968 Chief Operating Officer since 2021.

Education: Master of Science from the Norwegian University of Science and Technology and Master of Management from BI Norwegian Business School.

Other current positions: Board member of Cheffelo Denmark ApS and Cheffelo Norway AS.

Previous positions (last five years): Director of Warehouse Management at TINE BA and Senior Project Manager at Vinmonopolet.

Shareholding in Cheffelo: Vibeke Amundsen holds 18,000 shares in the company and 19,200 warrants in the 2021/2024 warrant program (1), 25,000 warrants in the 2022/2025 warrant program (2) and 10 000 warrants in the 2023/2025 warrant program. (3)

1) The warrants were acquired within the framework of the long-term incentive program established according to the resolution at the AGM on March 14, 2021.

2) The warrants were acquired within the framework of the long-term incentive program established according to the resolution at the AGM on April 27, 2022.

3) The warrants were acquired within the framework of the long-term incentive program established according to the resolution at the AGM on April 27, 2023.

Monitoring and internal control

The Board and CEO are responsible for internal control, which is regulated by the Swedish Companies Act and the Code. The Board is responsible for the company's organization and management of the company's affairs and must ensure that the company's organization is designed so that the accounting, financial management and financial affairs of the company are controlled in a satisfactory manner. According to the Swedish Companies Act, the CEO of a company is responsible for the day-to-day management of the company according to the Board's instructions and guidelines. The CEO must also take the necessary measures to ensure that the company's accounts are prepared and maintained in accordance with the law and that funds are managed in a proper manner.

The Group Management team supports the CEO in his day-today work. Group Management includes a representative from each of the company's different functions. The organization is designed to enable rapid decision-making where operational decisions within a function are taken at a functional level and decisions affecting multiple functions are taken by Group Management. Strategic decisions and overall financial decisions are made by the company's Board of Directors and Group Management. The Board of Directors sets the Group's strategy and financial targets annually.

Internal control of the financial reporting is part of a process that involves the Board, Group Management and staff. This process has been designed to ensure the reliability of the external reporting. The basis for the internal control of financial reporting consists of an overall control environment where organization, decision-making paths, powers and responsibilities are documented and communicated in governing documents. Cheffelo's finance function uses a common consolidation system and applies a group-wide accounting instruction. The Group's finance function has close and well-functioning collaboration with controllers regarding the financial statements and reporting, where all of Cheffelo's subsidiaries report on a monthly basis. This reporting forms the basis for the Group's consolidated financial reporting.

Considering the company's size and operations, the Board has assessed that there is no need for an internal audit function at present. Follow-up of internal control also takes place within the framework of the statutory external audit.

Cheffelo has a number of policies for the Group's operations and its employees. These include the following:

Approval Authority

This policy provides guidelines for the delegation and assignment of authority to approve transactions.

Sustainability Policy

The Board has overall responsibility for sustainability issues and works actively to ensure that the company maintains long-term, trusting relationships and good business ethics.

Information Policy

The Group's information policy is a document that describes the Group's general principles for providing information and communication.

Insider Policy

The insider policy aims to inform employees and other stakeholders in the Group about the legislation and regulations, which are applicable to the company's dissemination of information and the special requirements imposed on persons active in a company listed on the Nasdaq First North Premier Growth Market regarding, for example, price-sensitive information.

Risk assessment and risk management

Through its Scandinavian presence, Cheffelo is exposed to a number of different risks. Risk management within the Group is governed by established policies and routines, which are regularly revised by Cheffelo's Board of Directors.

For further information on Cheffelo's risks, see the Directors' Report.

Effective risk management combines operational business development with the requirements of owners and other stakeholders for control and good long-term value creation. Risk management aims to minimize risks but also to ensure that opportunities are utilized in the best possible way. Risk management covers the following risk areas: strategic risks, commercial risks, operational risks, financial risks and regulatory risks. The risk management approach is mainly based on the keywords identify, analyze, respond and control risk. The risks identified in respect of the financial reporting are managed through the company's control activities. Control activities aim to prevent, detect and correct errors and deviations. In order to minimize identified risks in the financial reporting, overall policies, guidelines, instructions and timetables have been drawn up for the financial reporting. Essentially, all financial reporting is handled centrally by the finance function, but certain parts of the processes are decentralized throughout the organization. Within the framework of existing processes and routines, built-in control activities exist at all levels within the organization, where management occurs through manual controls in the form of reconciliations and inventories, automatic controls through IT systems and through general controls in the underlying IT environment. Control activities are also supplemented by detailed financial analyses of results as well as follow-up against budgets and forecasts, which provides an overall confirmation of the quality of the reporting.

The effectiveness of the risk assessment process and implementation of the control activities are continuously monitored. Follow-up includes both formal and informal procedures used by those responsible at each level. These routines include follow-up of results against budget and plans, analyses and key performance indicators. The Board receives monthly reports on the Group's financial position and performance. At each Board meeting, the company's financial situation is discussed and Group Management analyzes the financial reporting in detail on a monthly basis.

Auditor's report on the corporate governance statement

To the general meeting of the shareholders in Cheffelo AB (publ), corporate identity number 559021-1263

Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the year 2023 on pages 10-18 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

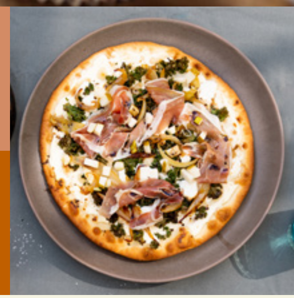
Our examination has been conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

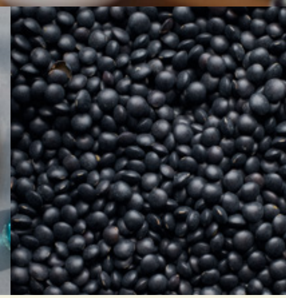
Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, March 28, 2024
KPMG

Fredrik Westin
Authorized Public Accountant





The Share

Cheffelo was listed on Nasdaq First North Premier Growth Market, with its first trading day on March 29, 2021. The closing price on December 31, 2023, was SEK 16.30, giving a market capitalization for Cheffelo of MSEK 206.7.

Other share information:
Ticker: CHEF
ISN: SE0015556873
LEI: 529900HKIZBVX08VLG76

Dividend policy
Cheffelo's dividend policy aims to provide shareholders with a dividend that offers a good direct return while giving the company the possibility of investing in strategic growth opportunities.

The target dividend over time should amount to at least 50% of cash flow from operating activities less CAPEX and lease amortization.

Sustainability Report 2023

Cheffelo

Table of contents

A message from our CEO

Looking back on 2023, the sustainability ambitions of many individuals were challenged due to one simple factor, the decline in household purchasing power because of inflation. As consumers felt the pinch, many chose cheaper private label products over locally produced alternatives, and also shifted towards shopping at low-price retailers and actively sought out discount offers. We take great pride in offering a service which minimizes food waste and prioritizes responsibly sourced ingredients and have not compromised on these principles over the past year. Despite the economic reality around us, we have continued to push our sustainability agenda and are very proud of what we have been able to achieve, while stabilizing revenues and returning to growth – and doing it profitably.

During the year, we successfully introduced several packaging changes with the aim of reducing our environmental impact, while still maintaining a great customer experience. We have replaced gel ice with regular ice packs as a cooling medium in our boxes, limiting the amount of residual waste in customers' homes and simplifying plastic recycling. Due to collaboration with carriers, we have increased the number of last mile deliveries in refrigerated vehicles. I am especially pleased that with these types of vehicles, we can eliminate the usage of ice packs in the delivery box, which is estimated to reduce the use of ice in Sweden alone by 180 tons annually. In our packing facility, we also implemented a system for more accurately adapting the size of the box to the volume of ingredients, which results in shipping less air and is expected to reduce cardboard usage by 20 tons annually.

Our business model has been successful partly due to the efficiency with which we can handle food items and reduce food waste in the distribution chain. This remained the case in 2023 with only 3.12g of food waste per portion being generated in our operations. Our team continues to work with food producers to eliminate unnecessary packaging and introduce even more ingredient options with sizes specifically tailored to reducing food waste in our customers' kitchens. All without sacrificing the widest selection of easy-to-prepare, great-tasting recipe options that the meal kit market has to offer. This includes many plant-based options for consumers who wish to reduce their carbon footprint even more.

Cheffelo produced its first sustainability report in 2017, increasing transparency in this area. The EU's Corporate Sustainability Reporting Directive (CSRD) will apply to our business for the first time in 2025 and we are well on our way to meeting these new reporting requirements. During the past year, we have taken steps forward in mapping our CO_2e emissions and for the first-time, we are including Scope 1 and 2 emissions in this report, with the aim of including scope 3 emissions in next year's report. Looking ahead, we are happy to communicate that we are setting new ambitious targets for the next stage of our sustainable development, and we will be reporting progress on the targets in the future.

I am proud of what the Cheffelo team has accomplished during 2023 and, as always, I am very confident that we will continue to improve. I hope you find our Sustainability Report interesting. If you have any comments or questions, please reach out to us – I look forward to hearing from you.

Walker Kinman
CEO

Sustainability at Cheffelo

We take pride in assuming responsibility for the impact of our activities on the environment, people, and society, while upholding economic sustainability. Our Sustainability Policy is guided by the UN's Sustainable Development Goals, specifically Goal 2: Zero hunger, Goal 3: Good health and well-being, Goal 8: Decent work and economic growth, Goal 9: Industry, innovation and infrastructure, Goal 12: Responsible consumption and production, Goal 13: Climate action, Goal 14: Life below water and Goal 15: Life on land. In this report, we highlight our measures to manage our environmental impact, the welfare of our employees and the positive impact we have by simplifying our customers' everyday lives and the positive effects on our surrounding communities.

Our sustainability approach is divided into environmental and social focus areas, which are material to our business and industry.

- **Within the environmental space** we track and reduce food waste and our carbon emissions, optimize our logistics setup, use our packaging to increase shelf-life and reduce packaging material and we source ingredients responsibly to be able to provide our customers with the best meals..
- **Within the social space** we focus on being a responsible employer, support the local communities we operate in, and ensure that we work with responsible suppliers who have a strong focus on animal welfare and nutritious ingredients, which can benefit our customers' health.

Sustainability goals and commitments

At the beginning of 2024, our Management team gathered to set targets for our sustainability work that focus on reducing our environmental impact and increasing our efforts within the social space. This resulted in the following targets for Cheffelo's sustainability work.

Environmental targets

- Installation of first solar array on production roofs by 2026.
- 100% renewable energy used in our offices and production*.
- Transparent climate impact labeling on dishes including "Lower Impact" nudging attribute implementation by 2025.
- 80% reduction in usage of ice from 2022 level.
- 80% recycled material in our indirect packaging materials.
- Food waste from own operations below 3.0g per portion.
- All key suppliers have committed to Cheffelo's Supplier Code of Conduct.

Social targets

- 2% of Net Income committed to dealing with food insecurities in Nordic households.
- Shortlist 1 in 4 new hire candidates from an underrepresented background.
- Gender balance across positions with personnel responsibility.
- Accident and injury free work environment.

These targets will be instrumental in the ongoing tracking of our sustainability work, and in upcoming reports we will report any progress on the targets. To gain a better understanding of how Cheffelo's sustainability work and reporting will develop in the future we have talked to Amanda Brødsgaard Korsholm, Head of ESG and Projects at Cheffelo.

When looking back at 2023, I am proud to share that we have been able to both implement initiatives and optimize our sustainability reporting governance. Some of the most important initiatives included the introduction of a Guarantee of Origin (GO) certificate for our energy sources in Norway, which has resulted in a 83.9% reduction of our market-based scope 2 emissions compared to 2022, and our new improved box calculation, which helps us pick the right size box for each delivery and will lead to an expected 20 ton reduction in cardboard annually.

On the reporting side, we have introduced a new digital platform for our sustainability reporting, which enables us to handle all our sustainability data in one place, ensuring good traceability and validation. Furthermore, for the first time, we have been able to include our scope 1 and 2 emissions in accordance with the GHG Protocol in this year's report with 2022 as our baseline year.

In the coming year, we will be preparing for our first CSRD compliant report for 2025 and one of the main priorities will be to map our scope 3 emissions, e.g., logistics and ingredients etc. We believe that the new directive will help us to become even more data-driven and I am looking forward to collaborating cross-functionally within Cheffelo to reach our targets and document our progress in future sustainability reports.

Amanda Brødsgaard Korsholm
Head of ESG and Projects

*purchase of Guarantees of Origin (GO) certificates.

Stakeholder dialogue

We ensure an ongoing and transparent dialogue through continuous communication with our employees, customers, suppliers, owners, investors, and others who affect or are affected by Cheffelo and our operations. Some examples of our stakeholder dialogues that guide the prioritization of sustainability topics include:

- We conduct employee surveys twice each year, in which all employees are invited to participate. All employees also have annual performance appraisals with their immediate supervisor.
- Employees are continuously informed and engaged through digital and physical channels on topics which are relevant to the company.
- We regularly conduct customer surveys. The responses are analyzed and used to evaluate our offering and show us where to improve. Furthermore, we receive many valuable customer insights through our customer service department. We regularly conduct market research, competitor analysis and NPS surveys (a customer loyalty and satisfaction metric).
- We stay up-to-date on market trends and activity in the competitive landscape.
- Our dialogue with suppliers is a vital resource in our efforts to responsibly deliver great food to our customers, but also to inspire and challenge each other on how we can collectively improve.
- Dialogue with owners and investors is ongoing and managed by the CEO and CFO, who also share relevant information with the rest of the organization.
- To ensure that the company's activities comply with applicable legislation and regulations, contact is maintained with the relevant supervisory and advisory authorities.

In 2024, we will conduct a double materiality analysis in line with EU's CSRD. Changes and improvements to the current sustainability strategy may occur in the wake of this analysis.

Climate impact

We reduce resource consumption through smart choices and efficient use of resources throughout our supply chain. In addition, our services enable our customers to minimize the climate impact of their daily dinners by minimizing food waste and eliminating the need for frequent trips to the store. To accelerate our efforts to lower our emissions, we have included our scope 1 and 2 emissions for the first time and will strive to include scope 3 emissions in our 2024 report. Our CO_2e emissions are measured and reported in accordance with the GHG Protocol[1] defined by the World Resources Institute.

Our scope 1 emissions consist of refrigerant gases, which are used in our cooling facilities. These gases circulate in closed-loop systems, and the aim is therefore for no refrigerant gases to be consumed during the year. In 2022, we consumed no refrigerant gases and in 2023, we reported a consumption of only 1kg of R134A, which amounts to 1.0% of our scope 1 and 2 (location-based) emissions.

Our scope 2 emissions consist of energy and heating consumption at all production and office sites, and we report on both market-based and location-based emissions. To lower our market-based scope 2 emissions, we have chosen to purchase energy with Guarantees of Origin (GOs) certificates across all sites. Most recently, this includes the addition of a GO in Norway for 2023, which has been the main reason for an 83.9% reduction of our market-based scope 2 emissions compared to 2022. For our location-based scope 2 emissions, we reported a small increase in emissions primarily due to high consumption of natural gas for heating in Denmark (estimated numbers based on the building's total consumption as our actual usage numbers are not available before April 2024). During 2024, we will changeover to district heating in Denmark which we expect to lower both our location-based and market-based scope 2 emissions. Furthermore, to reduce our location-based scope 2 emissions, we have set a target to complete the installation of the first solar array on production roofs by 2026.

Our scope 3 emissions cover the rest of our value chain, e.g., the ingredients we purchase, outsourced logistics, and business travel. We are collecting the required data to be able to include these items and other material scope 3 emissions in the 2024 report. In addition, we will work to set reduction targets for our overall CO_2e emissions when we have a full overview of our scope 1, 2 and 3 emissions.

Emissions per scope, tons CO_2e	2022	2023
Scope 1 *Refrigerants (cooling & air-conditioning)*	0.00	1.43[2]
Scope 2, market-based* *Energy consumption*	479.82[3,4]	77.11[3,5]***
Scope 2, location-based** *Energy consumption*	142.00[3,6]	145.57[3,7]***

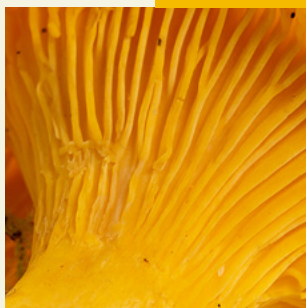
*A market-based method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice).
**A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data).
***District heating for Denmark is estimated based on the building's total consumption as our actual usage numbers are not available before April 2024.

1. https://ghgprotocol.org/
2. Emission factor from http://linde-gas.se/en/products_ren/refrigerants/hfc_gases/r134a/index
3. Heating emission factors from ens.dk/ansvarsomraader/cbam-og-co2-kvoter/stationaere-produktionsenheder/co2-rapportering-og-returnering (DK) and fjernkontrollen.no/co2/ (NO)
4. Energy emission factors from GOs in Sweden and Denmark and from carbonfootprint.com/international_electricity_factors.html (2021 residual fuel mix factor from "2023_07_international_factors_release_11.xlsx") in Norway
5. Energy emission factors from GOs in Sweden, Denmark, and Norway
6. Energy emission factors from carbonfootprint.com/international_electricity_factors.html (2021 production fuel mix factor from "2023_07_international_factors_release_11.xlsx")
7. Energy emission factors from carbonfootprint.com/international_electricity_factors.html (2022 production fuel mix factor from "2023_07_international_factors_release_11.xlsx")

Energy consumption

One of the ways we minimize our climate impact is by focusing on our energy efficiency. Refer to the table showing the energy use at our production sites and offices. In Denmark, we reduced the number of cooling and freezer containers during the year due to greater efficiency, which has led to a significant reduction in the energy consumption of our Danish production. In the Norwegian production, we took advantage of the colder summer period, allowing us to use less energy for cooling inside the facilities, which is the main source of our energy consumption in the production sites. At the remaining sites, our energy consumption remains at a similar level to 2022. There was a slight increase in the Norwegian office as this was first full year in our new office, which is bigger than the previous one.

Location	2022	2023
Swedish production	717.7 MWh	713.6 MWh
Swedish office	29.9 MWh	31.4 MWh
Norwegian production	874.1 MWh	824.0 MWh
Norwegian office	188.0 MWh	204.0 MWh
Danish production	432.3 MWh	345.2 MWh
Danish office	18.7 MWh	18.4 MWh



Meal planning

We create varied, healthy, and well-balanced recipes for our customers, but food safety is always most important. In addition, we also want to make responsible ingredient choices, from both an environmental and animal welfare perspective. Our Ingredient sourcing guidelines contain instructions and criteria for menu planning, purchasing, marketing, and production. To obtain a deeper understanding of our meal planning efforts in 2023, we have had a chat with Malin Hatlebakk, Nutrition & Sustainability Specialist and Menu Planner at Cheffelo.

What have been the most important advancements in Cheffelo when it comes to meal planning during 2023?

For RetNemt and Adams Matkasse, we have had an increase in the percentage of vegetarian dish sales compared with 2022. We have also seen successful results from the innovation project Norsk Vegetar, where we participated in the development of Norwegian vegetarian food products that our customers really enjoyed. We will continue to use these products in our vegetarian dishes.

What changes have you seen in the customers' preferences in relation to food during the year?

The past year has been characterized by a challenging global economic situation with increased inflation, which meant that many customers faced a tougher time in managing their household finances. Consequently, we have seen an increased demand for cheaper dishes. We have also seen a greater number of customers choosing to include vegetarian dishes in their meal kit, but also a decline in the sale of meal kits containing only vegetarian dishes. This may indicate a trend where more customers are choosing a flexitarian meal plan rather than only vegetarian or only meat and fish dishes.

Can you tell us about the Norsk Vegetar project – what is it, how has Cheffelo contributed and what has happened during the year?

The aim of this project has been to develop Norwegian vegetarian products based on Norwegian raw materials and ingredients. Sustainable solutions using vegetable scraps have been a central aspect of this project as well as high nutritional quality and high acceptance in the market. Cheffelo has contributed during the development phase of these products with inputs from the menu team. We have arranged workshops where we have sampled prototypes in a selection of dishes and made inputs on potential improvements to the products. We have also contributed in terms of a customer survey where we offered dishes with the food products to our customers and sent out a questionnaire to collect feedback on the products used in the project. The products have been well received by our customers and will continue to be used in dishes after the project period.

What progress has been made in the Partnership for a healthier diet initiative?

On a company level, we have reduced the amount of saturated fat by 4.8% on average from 2022 to 2023 in all recipes offered. The average amount of saturated fat in our dishes was 11.7E% in 2023, which is below the target of maximum 13E% by 2025 through the Partnership for a healthier diet. The average amount of salt per portion has also been reduced by 5.4% from 2022 to 2023.

Malin Hatlebakk
Nutrition & Sustainability specialist and Menu Planner

We want to provide epic customer experiences and ask our customers for feedback after each delivery. This is key for us to be able to run a long-term profitable business as competition is tough and in the minds of our customers, we are never better than our latest delivery.

Brand		2022	2023
Total for Cheffelo	Avg. rating (0-100)	74.7	75.7
	No. of respondents (in thousands)	342.0	310.1
Linas Matkasse	Avg. rating (0-100)	73.2	74.3
	No. of respondents (in thousands)	159.7	163.0
Godtlevert	Avg. rating (0-100)	76.4	77.7
	No. of respondents (in thousands)	99.7	73.8
Adams Matkasse	Avg. rating (0-100)	77.5	78.3
	No. of respondents (in thousands)	54.4	45.0
RetNemt	Avg. rating (0-100)	71.7	74.6
	No. of respondents (in thousands)	28.2	28.3

Food Safety

Consumers put their trust in us to deliver ingredients to them that not only taste good but are also safe to consume. We ensure food safety through our routines and processes, and good deviation management if something unexpected happens. Quality assurance occurs in every step of our processes, from close communication with our suppliers, through our production routines, to the distribution to the customers' doorsteps.

In 2023, we received food safety complaints for only 0.004% of all meals delivered. Our ambition in 2024 is to have zero severe food safety incidents. Each food safety-related complaint is vital in shaping our approach towards ensuring the highest standards of quality and safety in our products, in collaboration with our suppliers. Each food safety-related complaint is not necessarily a case that poses a health risk for the customer, and the possible severe cases, such as suspected food poisoning and allergic reactions, accounted for just 0.0003% of all complaints in 2023.

The most reported food safety cases concern objects of natural origin, e.g., traces of soil and dirt on vegetables, and bones in fish and chicken, which is impossible to prevent completely, due to the nature of these ingredients. One of our advantages in dealing with food safety cases is the possibility of reaching out to every single customer and knowing every ingredient they have received from us. If, for instance, we do get recalls on ingredients, we can act quickly and notify the affected customers individually. In addition, all our food safety-related complaints are registered in our deviation system as part of our quality assurance protocol. This allows us to address individual cases and analyze complaints systematically.

What have been the most important advancements regarding food safety at Cheffelo during 2023?

In 2023, we took significant steps toward enhancing our food safety measures. We switched cooling elements in our meal kits, transitioning from gel ice containing water and polyacrylate, to ice bags containing only clean water. Our efforts to regulate ice amounts in diverse delivery locations were aimed at ensuring optimal conditions for ingredient freshness and since more of our deliveries are transported in refrigerated vehicles, we can continue reducing the usage of ice bags. Furthermore, collaborating with our vegetable supplier in Norway has enabled us to participate in a specialized food safety course, enriching our understanding and practices regarding produce safety.

Are there any areas of improvement that you will be working on going forward?

Looking ahead, some of our top priorities regarding food safety will remain focused on the cold chain from our production facilities to our customers' doorsteps. Maintaining an unbroken chain is critical for preserving the freshness and safety of every ingredient. We have invested in new equipment to ensure supervision of the cold chain and we will keep performing temperature tests and experimenting with new solutions through internal simulations of deliveries. This improves our understanding of how the temperature in the boxes behaves under different conditions, and how we can optimize our processes.

Additionally, together with our delivery partner, we have increased the delivery areas with refrigerated transportation, and we are advancing our deviation management protocols, ensuring swift responses to unforeseen circumstances. We work closely with our suppliers to guarantee the highest quality standards from source to plate. During the year, we have developed our supplier audit work, participated in collaborative initiatives, and also engaged in joint education projects.

Simen Sørbø
Nordic Food Safety and Quality Manager

Animal welfare

As our objective is to offer meal kits that suit as many consumer segments as possible, we offer a wide range of recipes, and the source of protein comes either from animals or from plants. Animal-based proteins generally have a greater environmental impact than plant-based proteins, but there are also animal welfare aspects. Consumer awareness on this topic is growing, however most consumers are not willing to entirely give up their consumption of meat, poultry, and fish. It is up to the customers to set their preferences and choose what they want to eat for dinner. However, we are proud to offer inspiration and educate our customers on how to prepare nutritious, well-tasting plant-based dishes as part of their menus.

The table to the right offers an overview of the main source of protein in the recipes sold during 2023.

On average, 19% of the recipes offered each week were vegetarian or vegan in 2023 compared to 17% in 2022. For the remaining meals, Cheffelo is committed to only working with suppliers who prioritize animal welfare. We also strive to purchase local animal protein, meaning from animals, which are born, bred, and slaughtered in the country they are sold in. In general, animal welfare is a well-developed and highly prioritized topic in our Scandinavian markets. All our suppliers are required to adhere to local animal protection legislation as stipulated in our Supplier Code of Conduct. Cheffelo has chosen to work towards ensuring that the requirements of the ECC (European Chicken Commitment) are implemented by 2026 by our suppliers. As part of that ambition, during the year we have:

- updated our mapping of our current chicken suppliers' status in relation to the ECC.
- continued our ongoing dialogue with current chicken suppliers on animal welfare.

Also, in early 2024, we started a pilot project where we are offering slow-growing chicken as an alternative to customers of Linas Matkasse. In the chart below, we report the total average status for our chicken suppliers. In many areas, they are working actively with changes, which we will continue to report on annually in this publication.

Main source of protein	Cheffelo	Linas Matkasse	Godtlevert	Adams Matkasse	RetNemt
Fish & shellfish	22 %	19 %	26 %	28 %	10 %
Poultry	29 %	26 %	32 %	28 %	34 %
Beef	11 %	13 %	8 %	5 %	21 %
Pork	23 %	17 %	28 %	29 %	26 %
Plant-based	15 %	25 %	6 %	10 %	9 %

ECC requirement	Status Dec 31, 2023
Comply with all EU animal welfare laws and regulations, regardless of the country of production.	100 %
Implement a maximum stocking density of 30kg/m² or less. Thinning is discouraged and if practiced must be limited to one thin per flock.	20 % ↑
Adopt breeds that demonstrate higher welfare outcomes: either the following breeds, Hubbard Redbro (indoor use only); Hubbard Norfolk Black, JA757, JACY57, 787, 957, or 987, Rambler Ranger, Ranger Classic, and Ranger Gold, or other breeds that meet the criteria of the RSPCA Broiler Breed Welfare Assessment Protocol.	20 % ↑
Meet improved environmental standards including:	
At least 50 lux of light, including natural light.	40 % ↑
At least two meters of usable perch space, and two pecking substrates, per 1,000 birds.	20 % ↑
On air quality, the maximum requirements of Annex 2.3 of the EU broiler directive, regardless of stocking density.	100 %
No cages or multi-tier systems.	100 %
Adopt controlled atmospheric stunning using inert gas or multi-phase systems, or effective electrical stunning without live inversion.	60 % ↑
Demonstrate compliance with the above standards via third-party auditing and annual public reporting on progress towards this commitment.	40 %
At least 20% free range.	20 % ↑

Food waste

We minimize food waste in our own production, at our suppliers, and in our customers' homes. All recipes are planned for optimal usage of all ingredients, leaving very little to no food waste after the dish has been prepared by our customers. To get a deeper understanding of our work with food waste, we have interviewed Vibeke Amundsen, Chief Operating Officer at Cheffelo.

Compared to grocery chains, you have a low amount of food waste per portion. What do you see as the main reasons for this? And why do meal kit providers have better opportunities for minimizing food waste?

The core of our business is to produce 100% personalized meal kits for our customers. To be able to make this happen, we order all our fresh ingredients after the customer has placed their order with us. We have very close cooperation with all our suppliers, and together we have set up a supply chain, which enables us to receive the goods in time for production starts, just 24-48 hours after the order is sent. This process ensures that we receive exactly what we need, and the food waste inhouse at our production facilities is kept to a minimum.

How do you work to minimize the amount of food waste in your own production?

Internally, there will always be some leftovers, even if it is a very low amount. During 2023, we have ensured that all production facilities have the right waste containers to guarantee the right sorting of all waste. We are also thorough in making sure that edible excess food is handled in a good way. If the expiration date is suitable, we can pack it the following week. We also donate food to charity, to local women's shelters or local churches. In Norway, we collaborate with a food store specializing in selling food with short expiration dates, and we may send ingredients to them if we have a larger quantity of leftovers.

Any inedible food gets sorted as food waste and is used for biomass, which is utilized to produce biogas. However, due to an error in the sorting of food waste in the Swedish production, 5,120kg of food waste from November 2022 to March 2023 was incinerated instead of being used for biomass, which negatively impacted our waste diversion rate. We have increased our focus on food waste at our production sites and the importance of sorting correctly to avoid similar cases going forward.

Do you see a potential for minimizing your food waste even more?

In Denmark, we have had a process for internal prepacking, but during the past year we have replaced this process with portion packaged sizes bought directly from our suppliers. We expect this to generate less food waste internally as no vegetable trimmings will end up as food waste in our production. Furthermore, these trimmings can be used for alternative products at our suppliers, ensuring that as much as possible of the ingredients are used instead of ending up as food waste.

Vibeke Amundsen
Chief Operating Officer

Key figures from production

Referring to the table showing food waste per portion for each production facility, we have reduced our total food waste from 3.72g per portion in 2022 to 3.12g per portion in 2023. Furthermore, our food waste level at 45.4kg per MSEK for 2023 is very low compared to participants in the Swedish initiative, Cooperation to reduce food waste (Samarbete för minskat matsvinn), where they had average food waste of 700kg per MSEK, according to their annual report for 2022.

If we look at the Norwegian numbers, we reduced our food waste levels in 2023 compared to 2022, mostly explained by the donation of our excess edible food with short expiration dates through Matsentralen, a network of food banks that redistributes surplus food from the food industry to non-profit organizations that help disadvantaged people.

In Denmark, the amount of food waste per portion in our reporting has increased overall compared to 2022. The reason for this is that we did not sort food waste between January 2021 and May 2022, and therefore no food waste is included in the numbers for these months. If we only consider the period June to December 2022, the food waste level was at 28.9g per portion. Compared to this figure, we have seen an overall decrease of 42% in Denmark.

Food waste, g/portion	2021	2022	2023
Sweden	2.04	2.11**	1.02
Norway	1.82	3.15	2.06
Denmark	Missing data	14.08	16.77
Total	1.93*	3.72**	3.12

*Based on Sweden and Norway as data from Denmark is missing as food waste was sorted not in Denmark between January 2021 and May 2022.
**Figures are adjusted as data for November and December were unavailable due to delayed collection of food waste data at the time of publishing the 2022 sustainability report.

Packaging

To deliver quality meal kits to our customers, appropriate packaging is necessary. Having the right packaging materials and formats help to protect the food and maintain shelf life, which also reduces food waste. Therefore, we want to use packaging in the right way while minimizing the use of unnecessary packaging. For the packaging we do use, our main priority is always food safety. When food safety is ensured, we work to find circular systems, whenever possible, and we work with our own and our suppliers' packaging to optimize it for recycling. A description is provided below of how we minimize the environmental impact of packaging.

1. **Packaging for the transport of ingredients** to the warehouses consists as far as possible of circular systems like EuroPool and any remaining packaging, like cardboard boxes, must be recyclable. Dialogue is ongoing with all suppliers to increase the use of circular packaging. The disposable packaging that arrives at the production facility with goods deliveries is sorted into the appropriate recycling categories.

2. **Packaging for the meal kit** consists of cardboard boxes, which come in three sizes for the best possible match between the amount of food ordered and the box size. The boxes come with one or more cooling elements and paper recipes are added to the box to ensure that our customers can easily cook the food at home.

3. **Individual food packaging** makes up a large part of household waste and we work closely with our suppliers to minimize the volume of packaging material and the recyclability of the packaging while ensuring food safety and maintaining a good shelf life for the ingredients.

4. **Packaging for shipment of meal kits** to customers consists of plastic film for pallet wrapping to ensure that boxes do not tilt during transport and injure people or damage the food.

In addition to ensuring the best possible packaging for our meal kits and ingredients, we also advise our customers on how to recycle and reuse the packaging at home. The cardboard box can be reused and so can the ice packs, and both items can be recycled when it is time to be discarded. The paper recipes can be sorted as normal paper for recycling.

2023 main packaging improvements

One of the main focus areas within packaging in 2023 has been our own packaging for the meal kit, the cardboard box and ice packs. During the year, we completed the switch from gel ice to water in our ice packs. The main benefit of this change is the reduction of residual waste in our customers' homes, since gel ice must be sorted as residual waste, whereas the water in the new ice packs can be used to e.g., water plants, while the plastic bag can be sorted as plastic waste for recycling. Furthermore, we have expanded our use of refrigerated last mile vehicles in Norway and Sweden, which means that more meal kits are being delivered without ice packs. This helps us to reduce our usage of ice packs while maintaining our cold chain.

For the cardboard box, the major advancement has been our improved box calculation, which enables us to more accurately estimate the box size to use according to the size of the ingredients. This helps us to ensure that we ship less air and that the ingredients are kept in place, minimizing the risk of damage to ingredients during transportation. To obtain a better understanding of the new box calculation, we talked to Ståle Berg, Solution Architect for Production & Logistics at Cheffelo.

What has been the most important element for the success of the box calculation improvement project?

There are a lot of systems involved in this, all of which need to be able to work seamlessly together. The data needs to be correct in our master data management solution, including the dimensions and net weight of each ingredient. This allows us to do a calculation of the gross volume by adding all ingredients together. Since there needs to be some space between the ingredients, we deduct a safety margin. This information flows to the production picking system in order to get the right box size, (small, medium, or large), on the production line.

Furthermore, this information is used by our logistics department to reduce our carriers' climate footprint by utilizing the full space in the trucks and transporting more boxes in the last mile vans due to higher usage of the smaller boxes. The actual box calculation is simple, but the number of processes and systems involved make it more complex.

What have been the main numerical benefits of this project?

We saw immediately that we were able to use small boxes more often. Previously the breakdown was approximately 20% small, 30% medium, and 50% large boxes. After the new calculation, we are using 40% small, 15% medium, and 45% large boxes. Since we are using a lot more small boxes now, this results in an estimated annual saving of 20 ton of cardboard. There are also other benefits. When we pack the ingredients more closely together, we have fewer damaged ingredients and an improved customer experience overall. We also know that our customers care about sustainability and appreciate the fact that we transport less air and use less cardboard.

How does Cheffelo work with data and AI to find the most sustainable and cost-efficient packaging solutions?

We are always looking for improvements. The box calculation project came about from an observation when I walked the production floor and saw too many half-filled large boxes. It always starts with observations like this. Then, we need to figure out how we can get all the data right, and once we do that, we can begin using smarter algorithms to come up with better solutions. The algorithm is only a small component, it also needs to work with all our systems, processes, and people.

Ståle Berg
Solution Architect for Production & Logistics

Key figures from production

Quantities of cardboard, paper (used for printed recipes), plastic bags for ice packs, gel ice, and ice are shown in the table. As all these materials are directly linked to our sales volumes, we also report on how much packaging material is used per meal kit excluding water/gel ice in ice packs. For 2023, we used on average 0.73 kg of packaging material per meal kit excluding water/gel-ice, which is an decrease of 7% compared to 2022. For 2024, we expect to see a further reduction in this based on the aforementioned improvements for cardboard.

Packaging material (metric tons)	2022	2023
Swedish production		
Cardboard	373.9	254.0
Paper	29.8	25.7
Plastic for ice packs	10.5*	3.8
Gel ice	451.5*	89.5
Ice	0.0	221.9
Norwegian production		
Cardboard	499.5	404.4
Paper	29.6	27.3
Plastic for ice packs	14.5	11.2
Gel ice	324.0	79.9
Ice	318.1	513.7
Danish production		
Cardboard	111.6	109.8
Paper	2.2	5.3
Plastic for ice packs	3.9	3.8
Gel ice	0.00	0.00
Ice	313.4	422.1

*Numbers are adjusted from Sustainability Report 2022 as the numbers used in the 2022 report were based on purchasing values and not adjusted for stock volumes.

Logistics

Cheffelo offers a service that saves time for customers, partly by not having to plan what to make for dinner, but principally by also not having to make frequent trips to the grocery store. In many cases, the service also 'saves miles' as our transports are well-planned and coordinated.

During the year, we have taken important steps in optimizing our logistics flow, with the aim of reducing costs and lowering the climate impact. Here, Gabriel Sjöholm, Nordic Logistics Manager at Cheffelo, explains what has been achieved.

What have been the most important advancements in Cheffelo during 2023 in terms of lowering the climate impact of transports?

Consolidation of several transport flows from our production facilities to the hubs from where last mile distribution starts has increased the fill-rate of linehaul shipments significantly. This means we now utilize full vehicle capacity wherever possible, which is quite a big difference from 2022, especially in Sweden. The expansion of co-distribution for last mile delivery is another advancement which reduces CO_2e emissions.

From an environmental point-of-view, what are the advantages of co-distribution?

The co-distribution setup means that fuel consumption and thereby also CO_2e emissions and the average distance travelled, are reduced, when compared to only transporting our own deliveries in a vehicle. In this sense, co-distribution can be seen as a bit like public transport (buses and trams instead of single cars). Furthermore, refrigerated last mile vehicles make it possible to remove the ice packs, saving energy on freezing the ice packs, while also reducing our usage of both water and plastic.

What other changes have you made when it comes to deliveries?

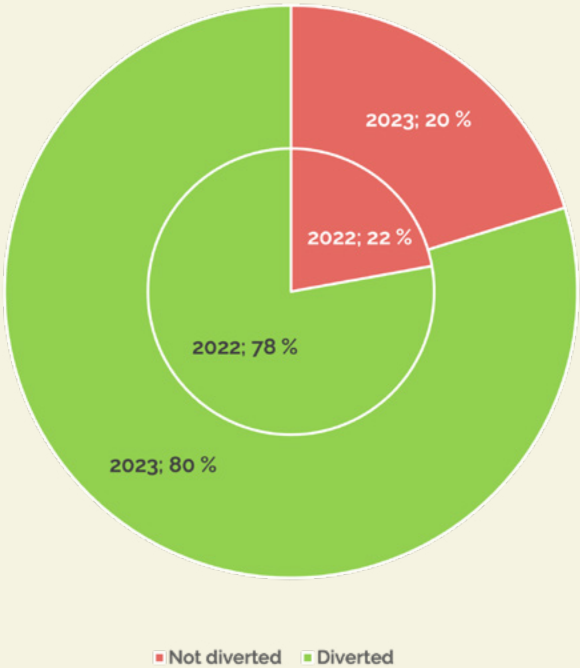
We have new last mile contracts which include delivering our meal kits by bicycle. This now also includes Stockholm in addition to Malmö and represents approximately 10% of our total deliveries in Sweden.

Gabriel Sjöholm
Nordic Logistics Manager

Waste management

At our production sites, waste primarily comes from disposable transport packaging from our suppliers. We aim to minimize this waste by collaborating with our suppliers on increasing the use of circular packaging systems like EuroPool. For the disposable waste we do receive, and any other waste generated within our production, we have a strong focus on sorting it correctly to ensure that as much as possible of our waste gets recycled instead of being incinerated or sent to landfill. To measure this, we report on our diversion rate, which measures the percentage of waste that is not sent to landfill or incineration.

During 2023, we have seen a slight increase in our diversion rate despite the 5,120kg of food waste that was incinerated in Sweden due to incorrect sorting. The primary reason for the increase in the diversion rate is our stronger focus on waste sorting in Denmark. In Denmark alone, we have increased the diversion rate by 23pp compared to 2022. Looking ahead, we will work to minimize the amount of production waste and have a greater focus on sorting the remaining waste correctly to ensure that as much as possible is recycled.



Navigating the future with a fresh identity and inclusive culture

In 2023, we changed our corporate brand name to Cheffelo. The new name aims to support the further development of our company culture, to better represent our operations and our continued focus on profitable growth. Cheffelo is a name that is future-proof and can stay with us for the long term. We believe that a new common identity and name can help us retain our talented colleagues and also attract new talent to our teams.

We want to be an attractive employer with competent, engaged, and well-informed employees. Our workforce should reflect the diversity of our customers, and everyone should have the same opportunity to develop within Cheffelo. In The Compass, which outlines our corporate culture and summarizes our strategic success factors, we emphasize the importance of an inclusive culture, among other things, stressing that we are “better together”. The Compass is a tool that is used across the organization and in the 2023 employee survey, 78% of the respondents claimed to “know The Compass well”.

As of December 2023, Cheffelo had 406 employees (389 December 2022), of which 144 are employed in Sweden, 200 in Norway and 62 in Denmark. The number of FTEs in 2023 was 266 (307 in 2022) of whom 52 % were women and 48 % were men.

Building a better workplace

It is important for us to continually strive to improve our work environment and ensure that we focus on what our colleagues think is most important. We therefore encourage our colleagues to participate in the annual employee survey and pulse surveys. The 2023 survey had a response rate of 95%, an improvement from 90% in 2022. Overall, this year’s employee survey showed strong improvements in most areas. The engagement index and leadership index scores remained at a good level. Team efficiency showed a positive trend, and the organizational and social work environment showed a strong positive development.

In 2023, 6% of the employees stated that they had felt exposed to some form of harassment or discrimination. This is an improvement of 1pp compared to 2022, where it was 7%. We have zero tolerance for harassment and have implemented targeted activities to tackle this issue, and even if we are not at a zero level yet, our work is having a positive effect, and we are continuing these efforts in 2024.

Building a healthy and safe workplace

To ensure that all employees always arrive home as healthy as when they left for work, we have both long-term preventive plans through, for example, health and safety grants, but also ongoing workplace safety efforts, with a particular focus on our production facilities. During 2023, 10 workplace injuries were reported (11 in 2022), of which 1 resulted in sick leave (5 in 2022). Our goal is to always make sure that no employee is injured when they are at work, and we will continue our efforts in 2024 to ensure this.

Employees are expected to speak up if they observe something that seems to conflict with the Code of Conduct or the corporate culture or if they have concerns about any aspect of the business practices. Concerns and violations can be reported to the immediate manager, an HR representative or through our confidential and anonymous whistleblower function. All such reports are reviewed and investigated by a dedicated employee from the HR team to safeguard the reporting person's confidentiality. During the year, we have received 6 cases, which have all been handled by our HR team, and all the cases have been concluded in 2023.

What have been the most important advancements for Cheffelo as a workplace during 2023?

Changing our corporate brand has represented the most significant advancement for Cheffelo in 2023. Our well-known consumer facing brand names remain unchanged. This corporate rebranding constitutes a strategic leap towards a common culture and collaboration within our organization.

Another step in our organizational development during 2023 has been the implementation of the Predictive Index (PI) Behavioral Assessment. This tool has been adopted for dual purposes — to enhance self-awareness and team development in our organization and as a tool in our recruitment process. PI empowers our team members, fostering a positive and collaborative workplace by deepening our understanding of individual strengths. In addition, it aids our recruitment process by helping us to understand a candidate's drive and indicates whether the candidate will be motivated in the given job. We will continue our work with PI, underscoring our dedication to the continued development of our team, employees, and managers. We recognize that our diverse strengths contribute to our collective success, and we view these differences as a strategic asset in driving our company's growth and innovation.

What were the main findings from your employee survey this year and what areas have you been working on since last year's survey?

With an increase in response rates from 90% to 95%, our teams' commitment to Cheffelo is stronger than ever. Positive trends across various indices showcase improvements in leadership, management, team effectiveness, and the organizational and social work environment. Notably, the eNPS transformed from negative to positive, signaling a positive shift in the overall employee sentiment.

Our takeaways from this survey underline the importance of clear communication and that we must remember to recognize all the fantastic things we have achieved together. Looking ahead to 2024, we are committed to fostering an even more engaging workplace by enhancing communication, celebrating our efforts and excellent work, continuing to promote wellbeing initiatives, and ensuring that our colleagues continue to thrive at Cheffelo.

What will be the key areas to drive going forward in terms of developing Cheffelo as a responsible employer and great place to work?

In 2024, we will have diversity and inclusion in focus, supported by targeted training programs. Our initiatives involve ensuring gender equality across positions with personnel responsibility and implementing a strategy to shortlist at least 1 in 4 new hire candidates from an underrepresented background. We are committed to creating a workplace that not only attracts top talent but also thrives on inclusiveness and support for all individuals. This commitment is a significant step forward for us, building on our efforts to create a more diverse team and culture and eliminating biases in our job descriptions and hiring process.

Christina Nielsen
Nordic HR Manager

Social responsibility

Our business is local and will only thrive if the communities where we operate are healthy. Therefore, we take pride in supporting local organizations primarily with food, but also to some extent through Cheffelo employees doing voluntary work. In Mölnlycke, we regularly donate leftover food to the Smyrna Church, which donates food to families in need. In Helsingør, leftover food is donated to Røntofte Crisis Center. In our Norwegian operations, leftover food is sold at discount prices by Holdbart, ensuring that food with a short expiration date is eaten and not discarded. Furthermore, food which cannot be sold through Holdbart, is donated to Matsentralen in Oslo. Our employees in Oslo also distributed 2,500 Christmas meal kits to families in need, together with the Salvation Army and served warm soup and coffee in connection with this initiative.

Human rights and anti-corruption throughout our value chain

We conduct our business in an ethical way and therefore have a zero tolerance for bribery and corruption, and we are committed to respecting human rights and the equality of all people. This is manifested in governance documents such as our own Code of Conduct and our Supplier Code of Conduct. Furthermore, we carefully plan and select our products and suppliers to ensure that they are aligned with our guidelines and procedures on these topics. To gain a deeper understanding of our work with suppliers, we have interviewed Bjørnar Bjønness Waage, Nordic Category and Quality Manager at Cheffelo.

Please explain how you work to ensure that all workers throughout your value chain are treated fairly and have good working conditions?

In 2023, we updated our Supplier Code of Conduct. This document has been distributed and signed by all our food suppliers. Additionally, we perform supplier visits to assess the conditions at our suppliers' and producers' facilities.

We set requirements for the goods we import through our Ingredient sourcing guidelines and require suppliers to provide documentation demonstrating their commitment to ethical trade if we feel it is necessary to mitigate a potential risk.

What do you see as the main barriers to ensuring good working conditions for all workers throughout your value chain?

Good engagement, openness, and transparency are crucial for us to ensure healthy supplier relationships, which are in accordance with our Supplier Code of Conduct. In addition, supplier visits combined with audits allow us to build great relationships with our suppliers while ensuring that their business practices align with our standards.

As a large part of the success of our meal kits lies in the ingredients used in their creation. We strive to maintain close dialogue and trust with our suppliers to gain a comprehensive understanding of our ingredients and how they are produced. This includes both the gastronomic aspect and the human aspect.

Bjørnar Bjønness Waage
Nordic Category and Quality Manager

In accordance with the new Transparency Act in Norway, we performed a comprehensive risk assessment in relation to human rights and decent working conditions for all Norwegian suppliers in June 2023. This risk assessment was based on potential risks connected to the country of operation of our suppliers and their sub-suppliers as well as the product/service we purchase from them. The assessment showed moderate to high risk for 10 suppliers as they have sub-suppliers in countries where there is a higher risk of poor working conditions. To mitigate these risks, we sent out questionnaires to all 10 suppliers asking how they work to ensure decent working conditions not only in their own operations, but also at their sub-suppliers. Based on the responses, we feel confident that our suppliers are taking the appropriate actions to mitigate working condition risks at their sub-suppliers.

In June 2024, we will evaluate our Norwegian suppliers again and will strive to include our Danish and Swedish suppliers to ensure that we have good risk management in place for all of Cheffelo's suppliers.

Healthy eating habits

We want to promote healthy eating habits among our customers by offering easy access to nutritious and well-balanced meals without the hassle of shopping and meal planning.

One of the ways we provide this service is to ensure that our recipes are nutritionally calculated and well-balanced in their composition. To guide our menu team in creating well-balanced recipes, our Nutrition squad annually maps out average nutritional targets for each local consumer brand as well as for Cheffelo overall.

We use the Nordic Nutrition Recommendations (NNR) as a basis for our nutritional work8. NNR constitutes the scientific basis for national nutritional recommendations in the Nordic and Baltic countries, and it is updated approximately every 10 years. The latest version, NNR2023, was published in 2023. For many of the recommendations, there is a gap between the recommendations and the populations' current diet. Through the Partnership for a healthier diet initiative, we aim to gradually shift the populations' diet towards the recommendations, which is reflected in our targets.

For 2024, we have set the following targets:

- **For energy, an average of 600-750 kcal per portion.**
  - The estimated energy requirement for an adult of 18-70 years, with an average activity level (PAL 1.6) is 2,393 kcal8. We calculate that the dinner meal makes up 25-30% of the daily energy requirement, which corresponds to 598-718 kcal.

- **For total fat, an average of 25-40E%* total fat per portion.**
  - 25-40E% total fat is recommended for the diet according to the NNR2023.

- **For saturated fat, an average of under 12E%* saturated fat per portion..**
  - Through the Partnership for a healthier diet, the target is to reduce the population's intake of saturated fat to 13E% by 2025, and the long-term goal is maximum 10E% in line with NNR2023. Since our saturated fat level is already below 13E%, we have decided to set a target of max 12E% saturated fat.

- **For vegetables, an average of above 200g vegetables (fresh and preserved) per portion.**
  - Vegetables are an important part of a healthy diet and the Nordic recommendation of 500-800g per day is encouraging the population to eat more. We set a minimum target of 200g vegetables per portion on average in all Cheffelo brands for 2024 and are exploring ways to increase this in line with consumer taste preferences.

- **For salt, an average of less than 3g salt per portion**
  - Average intake of salt in the Scandinavian population is 7-12g per day[9,10,11]. The recommended intake is 5.75g per day according to NNR2023. Through the Partnership for a healthier diet, the shared target is to contribute to a reduction of salt intake in the population to 7g per day by 2025.
  - We calculate that the dinner should be 25-30% of the daily energy requirement for an adult. Our target for salt is reduced from max 3.5g per portion on average in 2023 to max 3g per portion on average in 2024.

*Energy percentage (E%) is an indication what share of the food's total energy content comes from carbohydrate, fat, and protein.

8. Blomhoff, R., Andersen, R., Arnesen, E. K., Christensen, J.J., Eneroth, H. Erkola, M., Gudanaviciene, I., Halldoresson, T.I., Høyer-Lund, A., Lemming, E.W., Meltzer, H.M., Pitsi, T., Schwab, U., Siksna, I., Thorsdottir, I and Trolle, E. Nordic Nutrition Recommendations 2023. Copenhagen: Nordic Council of Ministers, 2023. Retrieved from: NORDIC NUTRITION RECOMMENDATIONS 2023 (norden.org)
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Partnership for a healthier diet

The partnership is a collaboration between the food industry and the Norwegian health authorities to improve the diet of the population. Our commitment through participating in the partnership is to contribute to reducing salt, added sugars and saturated fat, and increasing the intake of fruits and berries, vegetables, wholegrains, and seafood in the population's diet. Even though the partnership is with the Norwegian health authorities, our commitment extends to all our brands as the nutritional challenges and recommendations are equal in all Nordic countries.

See our 2023 results for Cheffelo (CHEF), Linas Matkasse (LM), Godtlevert (GL), Adams Matkasse (AM) and RetNemt (RN) in the table. The results are presented as an average of all recipes offered during 2023.

KPI	2023 target	2023 results	Comments
Energy	600–750 kcal per portion	CHEF: 689 kcal RN: 752 kcal LM: 601 kcal AM: 696 kcal GL: 711 kcal	Some recipes in RetNemt allow for extra protein to be added if there is e.g., an extra person joining for dinner, which increases the average kcal per portion.
Fat	25–40E% per portion	CHEF: 36.4E% RN: 32.5E% LM: 34.7E% AM: 39.4E% GL: 38.9E%	
Saturated fat	13E% per portion	CHEF: 11.7E% RN: 10.5E% LM: 12.1E% AM: 12.0E% GL: 12.2E%	The average amount of saturated fat has been reduced from 12.3E% in 2022 to 11.7E% in 2023 in Cheffelo.
Salt	<3.5g per portion	CHEF: 3.1g per portion RN: 3.4g per portion LM: 3.5g per portion AM: 2.6g per portion GL: 2.7g per portion	The average amount of salt per portion in Cheffelo has been reduced from 3.2g to 3.1g.
Vegetables	Min. 200g vegetables per portion	CHEF: 210g RN: 221g LM: 197g AM: 210g GL: 210g	There has been a small decrease in the average amount of vegetables from 217g on average per portion in 2022, to 210g on average in 2023. Some standard sizes of vegetables have been adjusted to a smaller size during the year, explaining the 7g average decrease.

Sustainability governance

The Board has the overall responsibility for sustainability and works actively to ensure that Cheffelo maintains long-term, trusting relationships and good business ethics. The Board has delegated responsibility to the Management team to establish policy documents and appropriate structures to ensure compliance. To drive the sustainability work forward at an operational level, the Sustainability squad, led by the Cheffelo's Head of ESG, was established in 2022.

The Sustainability squad is responsible for recommending our sustainability strategy and related goals, which are in turn approved by the Management team. In collaboration with the rest of the organization, the squad works to implement initiatives in line with the strategy, while following up on KPIs.

Board of directors

Management team

Sustainability squad

Assessment and management of business risks
Responsibility for continuously identifying, assessing, and preventing various risks in the business lies with the Management team. The risks have been divided into commercial, financial, operational, and regulatory risks, and have been assessed in terms of impact and likelihood, and preventive strategies have been developed.

Risks in the areas of environment, social issues, human rights, and corruption arise primarily at the supplier level and through our purchasing activities. We mitigate these risks partly through our Supplier Code of Conduct and continuous follow-ups with suppliers, and also through careful planning and selection of products and suppliers. Risks in the personnel area include absence due to illness and work environment risks, which we reduce through systematic work environment management.

About this report

The 2023 Sustainability Report for Cheffelo has been submitted by the Board of Directors. It covers Cheffelo's (including the brands Linas Matkasse, Adams Matkasse, Godtlevert and RetNemt Måltidskasser) overall sustainability strategy and work for the fiscal year 2023, which runs from 1 January 2023 to 31 December 2023. The ambition is to describe the activities from an economic, social, and environmental perspective, while reporting on our sustainability governance.

The report includes Cheffelo's statutory Sustainability Report as required by the Swedish Annual Accounts Act. The 2023 Sustainability Report is based on the company's objectives, strategies, and processes, as well as the stakeholder dialogue and materiality analysis. The sustainability work is, in turn, based on the UN's Sustainable Development Goals.

Auditor's opinion regarding the statutory sustainability report

To the general meeting of the shareholders in Cheffelo AB (publ), corporate identity number 559021-1263

Engagement and responsibility

It is the board of directors who is responsible for the sustainability report for the year 2023 on pages 21-44 and that it is prepared in accordance with the Annual Accounts Act.

The scope of the examination

Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with a sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

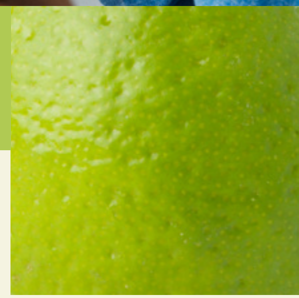
Stockholm, March 28, 2024
KPMG AB

Fredrik Westin
Authorized Public Accountant


Annual report and group consolidation

January-December 2023

Cheffelo



Annual report and group consolidation January-December 2023

Directors' Report

The Board of Directors and the CEO of Cheffelo AB (publ) ("Cheffelo"), hereby present the Annual Report and the consolidated financial statements for the 2023 fiscal year.

The business in general

Cheffelo provides subscription-based, well-planned meal solutions under the brands Adams Matkasse (Norway), Godtlevert (Norway), Linas Matkasse (Sweden), and RetNemt (Denmark). Local chefs and dietitians create tasty, well-balanced, and nutritionally calculated recipes that are delivered directly to the customer's door with precisely the right amount of high-quality, handpicked ingredients. Customers can choose from a wide selection of recipes, saving time, reducing food waste, and offering culinary inspiration. Subscriptions are easily managed via a mobile app or the respective brand's website. The service is enabled by proprietary technology solutions and a strong, scalable supply chain with efficient processes. Cheffelo has achieved a strong market position and high brand recognition in several of the Group's markets.

The business was founded in 2008 and has since established itself in Scandinavia, and is currently active in three countries: Sweden, Norway, and Denmark. The business is run through the subsidiaries Cheffelo Sweden AB in Sweden, Cheffelo Norway AS in Norway, and Cheffelo Denmark ApS in Denmark.

Cheffelo is part of a group where Cheffelo AB (publ) prepares the consolidated financial statements for the largest group consolidation.

Significant events during the fiscal year

In 2023, external factors continued to affect consumer purchasing behavior, impacting the Group's turnover. The focus during the year has been to stabilize revenue and boost profitability. The Group saw net sales stabilize during the year with a 4.4% increase in net sales in the second half of 2023. Our focus on profitability led to a record-high margin after handling costs for the year. It also contributed to reduced but more efficient sales and marketing expenses, and a lower cost structure overall. This resulted in an operating profit (EBIT) of MSEK 30.7 (-149.3), an improvement of MSEK 180.1 or MSEK 60.1 adjusted for goodwill depreciation in 2022.

Name Change at the Extraordinary General Meeting

In June, the Group announced its intention to change the corporate name. The change was formally approved at an Extraordinary General Meeting on September 15, and the company adopted its new name, Cheffelo AB (publ). The change did not affect the consumer brands Linas Matkasse, Godtlevert, Adams Matkasse, and RetNemt, which continue to be used to market the Group's services. Changing the company's brand marked a significant step forward in organizational development and the establishment of a unified identity for the Group's employees. The name change helps to strengthen the corporate culture and enables the Group to create more meaningful connections with its business operations. Through the change of name, the ticker for the company's shares listed on the Nasdaq First North Growth Market was also changed to CHEF.

New Board of Directors for the Group

At the company's Annual General Meeting, Petter von Hedenberg and Olle Qvarnström were elected to the Board. Petter von Hedenberg was appointed Chairman of the Board after the previous Chairman, Mathias Hedlund, declined re-election. Board member Gert Munthe also declined re-election.

Marketing Efficiency, Partnerships, and Acquisition of Customer Relationships

One of the focus areas during the year has been to increase marketing efficiency, which resulted in an almost 25% increase in new customer acquisitions compared to the previous year, despite a decrease in sales and marketing expenses of MSEK 7.5.

As part of its efforts to increase marketing efficiency, the Group has further advanced its partnerships. For example, a partnership with Weight Watchers was launched in the Swedish market in early 2023. In September, the partnership entered a new phase, with Linas officially becoming the exclusive supplier of meal kits for Weight Watchers.

In the Danish market, approximately 3,000 customer relationships were acquired from a competitor with a comparable product and service range within the meal kit industry. A large proportion of these customers migrated to RetNemt during the year, contributing to a positive volume development in Denmark.

Continued Efforts to Improve Customer Experience

The Group has continued its efforts to constantly adapt its product range and operational processes to improve quality and customer experience, in line with the Group's

"Must-win battle" to create epic customer experiences. As part of this process, the Group worked, among other things, to include more ingredients in the delivery, which customers previously had to have at home, increase the number of dishes without price surcharges, and increase the use of ready-made sauces and spice mixes to simplify cooking. This was made possible thanks to the improved contribution margin. The measures to increase customer retention included a new loyalty program, which was introduced in the second half of the year. This, along with other factors, has contributed to higher customer loyalty, as seen in the increase in deliveries per customer. A 7.9% increase in the number of deliveries was reported in the fourth quarter.

Improved Logistics Setup

Logistics initiatives have contributed to lower logistics costs, a significant factor in improved margins.

During the year, the Group decided to start operating Co-distribution, enabling an overhaul of the logistics setup. As part of this initiative, a successful tender for last-mile transports for Sweden and Norway was carried out. The tender also resulted in the Group being able to offer chilled transport all the way to the customer, resulting in reduced use of refrigerants in our transports.

The Group has also reviewed the logistics setup for long-haul transport, leading to fewer distribution hubs and a more optimized network for long-haul transport, especially in the Swedish market.

Impact of Inflation on Costs

Inflation in the Nordics has remained high throughout the year. It is primarily food price inflation that has affected the Group's costs, but cost increases for packaging materials, electricity, and logistics have also had an impact. Some of the increased costs have been offset through coordinated Nordic purchasing, menu efficiencies, procurement of packaging materials, and logistics services, as well as other efficiency improvements. The Group did not make any price adjustments during 2023, but to ensure the quality of the ingredients and the meal experience for customers, a price increase was implemented at the end of 2022.

Development of the company's operations, results and position

Amount in MSEK	2023	2022	2021	2020	2019
Net sales	999.7	1,081.4	1,387. 3	1,217.0	1,085.6
Operating margin %	3.1%	-13.8%	3.4%	7.5%	-13.4%
Balance sheet total	760.9	776.1	960.8	838.6	804.1
Equity ratio %	58%	58%	63%	33%	33%

Definitions:
Operating margin: Operating profit/net sales
Balance sheet total: Total Assets
Equity ratio: Equity (including non-controlling interests) in relation to total assets.

Net sales and profit

Net sales for the period amounted to MSEK 999.7, compared to MSEK 1,081.4 in the previous year, corresponding to a decrease of 7.6%. The result was negatively affected by exchange rate fluctuations, caused by a weaker exchange rate between the NOK and SEK. Net sales, adjusted for exchange rate differences, decreased by 6.2%.

Personnel costs were MSEK 208.3, which was 6.8% lower than the previous year, mainly due to a normal level of staff turnover and limited replacement recruitment.

EBITDA amounted to MSEK 78.3, compared to MSEK -99.5 in the previous year. Considering a goodwill impairment of MSEK 120 in the previous year, the adjusted EBITDA was MSEK 57.8 higher. The EBITDA margin was 7.8%, compared to -9.2% in the previous year.

Depreciations amounted to MSEK 47.6, against MSEK 49.9 in the previous year.

Operating profit (EBIT) for the Group was MSEK 30.7, corresponding to 3.1% of net sales, a significant improvement from MSEK -149.3, or -13.8%, in the previous year. This improvement was due to a combination of relatively lower handling costs, reduced sales and marketing expenses, and lower costs for central functions, leading to an EBIT increase of MSEK 60.0, after adjustment for goodwill impairments during 2022.

Net financial items were MSEK -3.2, an improvement from MSEK -5.3, with higher interest rates as the main reason for MSEK 1.8 higher interest income compared to the previous year.

Profit before tax was MSEK 27.5, a significant improvement from MSEK -154.7. Reported tax of MSEK -8.2, compared to MSEK 0.0 in the previous year, was related to taxes in Norway and Sweden. The tax in Sweden will be offset against loss carryforwards from previous years.

Cash and cash equivalents, cash flow and financial position

At the end of the year, cash and cash equivalents amounted to MSEK 91.9, compared to MSEK 56.0 in the previous year. Cash flow from operating activities for the full year was MSEK 82.2, an improvement of MSEK 122.7 compared to MSEK -40.5 in the previous year. Cash flow from changes in working capital was MSEK 13.2, up from MSEK -44.6, largely explained by changes in accounts payable.

During the year, the acquisition of tangible assets amounted to MSEK 0.7, down from MSEK 13.2. Cheffelo made significant one-off investments in 2021 and the first half of 2022, related to the integration of the Danish operations and the transition to completely unique production operations in Sweden and Norway.

During the year, the Group paid a dividend of MSEK 3.8, which was lower than the previous dividend of MSEK 22.2.

Goodwill at the end of the year was MSEK 118.6, down from MSEK 130.9, where the change consisted entirely of exchange rate fluctuations.

Equity amounted to MSEK 438.5, compared to MSEK 447.6 in the previous year, corresponding to an equity ratio of 57.6%, marginally down from 57.7%.

The previous loyalty program in Sweden was replaced by a group-wide program, which has shorter deadlines before loyalty points expire. Therefore, the accounting for the loyalty program has been reclassified from long-term to short-term contract liabilities.

Deferred tax assets amounted to MSEK 24.5, down from MSEK 27.6, and the change of MSEK 3.1 was mainly related to the utilization of loss carryforwards in Sweden.

Non-current lease liabilities amounted to MSEK 103.0, down from MSEK 124.2, and right-of-use assets amounted to MSEK 117.0, down from MSEK 137.2. Interest-bearing debt less cash and cash equivalents resulted in a net debt of MSEK 37.8, an improvement from MSEK 92.5. There were no other interest-bearing debts than lease liabilities according to IFRS 16.

Parent Company

Cheffelo AB (publ) is the parent company in the Cheffelo Group and is a Swedish holding company where the operating activities are carried out in the subsidiaries. The company has three employees. Net sales for the full year amounted to MSEK 4.5 (4.9). Net sales include management fees and Group licenses that have been eliminated in the Group consolidation. The business focus of the parent company is to perform group-wide tasks where the costs mainly consist of organizational consultation, legal, and audit expenses. The costs amounted to MSEK 13.8 (14.1), and the operating result was MSEK -9.3 (-9.2).
Equity amounted to MSEK 486.6 (492.1).

The parent company largely shares the risks of its subsidiaries.

Information on risks and uncertainties

The Group, like all businesses, is exposed to risks that can affect the Group negatively but which can also add value to the company if they are managed correctly. Risks that can affect the Group include the risk of labor market disputes, IT and information security risks, employee risks and regulatory risks. The financial risks are described in Note 27.

The main risks related to the company's industry and business include the following:

- The Group operates in a highly competitive industry which includes a range of other food and meal providers. Competition has also increased significantly in recent years. There is a risk that today's extensive competition, as well as increased competition in the future, will lead to higher sales costs, both to attract new customers and to retain existing customers.

- As the Group operates in a highly competitive industry, the reputation and the recognition of the Group's brands, and the positive values that customers associate with them, are of central importance to its growth and success. Damage to the Group's brands or the Group's reputation may adversely impact the Group's results and there is a risk that negative publicity or negative statements about the Group, for example regarding the freshness of ingredients, the quality of the food box and contamination of food, may negatively affect the value of the brands.

- The Group's main costs are related to food and the Group's results are directly dependent on the prices of groceries, fruit and vegetables. Furthermore, there is a risk that certain products may be in short supply for various reasons and that the Group cannot adapt to price fluctuations at short notice and that an increase in the Group's costs cannot be passed on to customers.

- The Group's production operations are located at a limited number of production facilities in Sweden, Norway and Denmark. The business is dependent on the reliability of these production facilities and security of supply is an important factor in the Group's service delivery and for maintaining good customer relationships. Interruptions or disruptions in production may make it difficult, or impossible, for the Group to fulfill its obligations or meet customer expectations and to deliver orders on time. This may be the case in connection with disruptions at short notice, but it is especially true in the event of major total production stoppages that last for a longer period of time.

- Food handling imposes high demands in terms of traceability, hygiene and handling. Deficient control in any part of the handling process or supply chain can lead to contamination, allergic reactions or other types of damage. A functioning and effective alarm system for handling deficiencies that may pose a risk in relation to food safety is essential for operating the business in a responsible and safe manner. As the food bags contain fresh produce, including meat, fish and dairy products, the business is particularly vulnerable to product spoilage or customers failing to properly store or prepare delivered products before consumption, as well as to third-party suppliers failing to maintain food safety, proper temperature and other requirements related to handling or transport of the Group's goods. In the event of contamination or suspected contamination of an ingredient, the Group may have to recall certain products or grocery bags, which can be costly and negatively affect the Group's reputation and thus lead to reduced turnover. Incorrectly packaged products or mislabeled ingredients can result in customers suffering allergic reactions and other health problems, which can lead to claims being made against the Group.

Guidelines for remuneration of senior executives

Fees and other remuneration to Board members, including the Chairman of the Board, are determined by the AGM. At the AGM held on April 27, 2023, it was resolved that the total fees for the Board members, for the period until the next AGM, shall amount to SEK 1,300,000. SEK 500,000 shall be paid to the Chairman of the Board and SEK 200,000 each to Charlotte Gogstad, Johan Kleberg, Olle Qvarnström and Therese Reuterswärd. Furthermore, Charlotte Gogstad, Therese Reuterswärd are covered by the warrant program, which was approved at the AGM on March 14, 2021.

Cheffelo strives to offer total compensation that is market-based, thereby enabling the company to attract and retain qualified employees. The remuneration shall be based on the employee's position, responsibilities and performance. The total compensation for senior executives shall consist of fixed salary, variable cash remuneration and pension.

Note 5 shows the distribution between senior executives and other employees.

Future development

The markets in which the Group operates are likely to continue being negatively affected by external factors, including inflation, energy costs, and high mortgage rates. This is expected to burden household disposable income, especially in the Norwegian and Swedish markets. Market conditions in the Danish market have recovered to a greater extent, leading to higher growth expectations for the Danish business.

Given these market conditions, the Board along with the Management team has concluded that profitable growth is the Group's primary objective, and the ambition is to achieve an average annual net sales growth of 6-8%.

One of Cheffelo's competitive advantages is the ability to efficiently and profitably produce meal kits. In the coming years, Cheffelo aims to continue implementing efficiency improvements across all functional areas of the business.

Cheffelo has several strong brands associated with innovation, high quality, inspiration, and healthy and tasty food. These strong brands position the Group well for future development and in relation to the ongoing high competition in online food retail.

Cheffelo intends to continue investing in increased market efficiency, with the goal of further streamlining the business and reducing the costs of retaining and attracting new customers. The Group will also continue to focus on what the company refers to as "Epic customer experiences". This includes various initiatives aimed at improving the different stages of the customer journey – onboarding, delivery, and customer loyalty – as well as the physical products.

Employees

In December 2023, Cheffelo had 406 employees (389), of which 144 (146) were employed in Sweden, 200 (190) in Norway, and 62 (53) in Denmark. The number of full-time equivalents for 2023 was 266 (307 in 2022), of whom 51.7% were women and 48.3% were men.

Corporate Governance Report

Cheffelo has issued a corporate governance report for the fiscal year 2023, presented on pages 10-18. The corporate governance report has been compiled in accordance with the rules of the Swedish Corporate Governance Code (the “Code”).

Sustainability Report

Sustainability, social, and environmental issues are a core part of Cheffelo's code of conduct and operations. Thus, Cheffelo carries out its work in a socially responsible manner. Cheffelo prepares a Sustainability Report, presented on pages 21-44. Cheffelo is subject to the requirements of the Annual Accounts Act on sustainability reporting. In accordance with Chapter 6, Section 11 of the Swedish Annual Accounts Act, Cheffelo AB (publ) has chosen to prepare its statutory sustainability report as a report separate from the annual report.

The Sustainability Report is submitted to the Swedish Companies Registration Office along with the Annual Report.

Proposed appropriation of the company's result

The following earnings (SEK thousand) are at the disposal of the Annual General Meeting:

Share premium reserve	1,162,736
Retained earnings	-675,655
Net profit for the year	-1,625
Total	485,455

The Board proposes that the result be distributed as below: (SEK thousand)

Dividend	22,568
Share premium reserve	1,140,168
To be carried forward	-677,281
Total	485,455

The Board proposes that the retained earnings of SEK 485,445 thousand be allocated as follows: that SEK 1.78 per share corresponding to SEK 22,568 thousand, based on the number of shares as of December 31, 2023, be distributed to the shareholders.

The dividend proposed by the Board corresponds to 4.6 percent of the parent company's equity and 5.1 percent of the Group's equity.

In light of the expected financial development, the Board considers that the proposed dividend is justified with regard to the business's goals, scope and risks, and with regard to the ability to fulfill the company's future obligations. If the dividend had been paid at the end of the year, the Group's equity ratio would have amounted to 55 percent. Cheffelo is expected to continue to have a good financial position after payment of the proposed dividend.

Cheffelo's dividend policy aims to provide shareholders with a dividend that offers a good return while giving the company the possibility to invest in strategic growth opportunities.

The goal for the dividend is that it shall amount to at least 50% of the cash flow from operating activities less acquisitions of fixed assets and amortization of lease liabilities over the next few years.

For the Group's and the parent company's results and position in general, please refer to the following financial statements with accompanying notes.

Financial Reports

Consolidated income statement

January 1 - December 31

SEK Thousand	Note	2023	2022
Net Sales	2	999 724	1 081 441
Other operating income	2	3 166	4 885
		1 002 890	**1 086 326**
Goods for resales		-566 537	-661 018
Other external expenses		-149 219	-180 748
Personnel costs	5	-208 319	-223 498
Depreciation		-47 596	-49 873
Impairment of goodwill and intangible assets	11	–	-120 000
Other operating expenses	4	-480	-520
Operating loss/profit		**30 738**	**-149 331**
Financial income		9 440	2 398
Financial expenses		-12 646	-7 718
Net financial items	7	**-3 206**	**-5 320**
Profit/Loss before tax		**27 532**	**-154 651**
Tax	8	-8 229	87
Net profit/loss for the period		**19 303**	**-154 563**
Earnings per share SEK, before and after dilution	10	**1,52**	**-12,19**

Consolidated income statement and comprehensive income

January 1 - December 31

SEK Thousand	Note	2023	2022
Net profit/loss for the period		**19 303**	**-154 563**
Other comprehensive income			
Items that have been or may be transferred to profit/loss for the period			
Translation differences for the period when translating foreign operations		-24 543	15 804
Tax attributable to items that have been or may be reclassified to		–	–
		-24 543	15 804
Items that cannot be transferred to profit/loss for the year			
		–	–
Other comprehensive income for the year		**-24 543**	**15 804**
Comprehensive income for the year		**-5 240**	**-138 759**

Consolidated statement of financial position

SEK Thousand	Note	31 Dec 2023	31 Dec 2022
Assets	27		
Goodwill	11	118 569	130 872
Trademarks	12	310 683	320 198
Customer contracts and relationships	13	1 325	3 800
Other intangible assets	14	20 122	19 675
Total intangible assets		**450 700**	**474 545**
Leasehold improvement	15	1 025	1 716
Machinery and other technical installations	16	7 648	11 303
Equipment	17	14 388	19 731
Right-of-use assets	28	117 037	137 208
Total tangible assets		**140 098**	**169 958**
Deferred tax assets	9	24 523	27 583
Other non-current receivables		9 143	8 296
Total other non-current assets		**33 666**	**35 880**
Total non-current assets		**624 465**	**680 383**
Inventories	18	12 897	13 330
Accounts receivable	19	14 926	9 635
Tax assets	8	1 378	909
Prepaid expenses and accrued income	20	14 871	10 951
Other receivables		456	4 858
Cash and cash equivalents	21	91 924	56 002
Total current assets		**136 453**	**95 686**
Total Assets		**760 918**	**776 069**

Consolidated statement of financial position, cont.

SEK Thousand	Note	31 Dec 2023	31 Dec 2022
EQUITY	22		
Share capital		1 170	1 170
Other contributed capital		1 162 736	1 166 540
Translation reserve		5 867	30 411
Retained earnings including profit/loss for the year		-731 228	-750 531
Total equity		**438 546**	**447 590**
Liabilities	27		
Non-current lease liabilities	27; 28	103 039	124 245
Contractual liabilities	1; 2	–	4 298
Deferred tax liabilities	9	65 911	68 576
Total non-current liabilities		**168 950**	**197 119**
Liabilities to credit institutions	23	3 015	3 687
Current lease liabilities	27; 28	26 701	24 268
Accounts payable	27	62 613	53 969
Contractual liabilities	1; 2	6 528	–
Tax liabilities	8	2 666	1 716
Other liabilities	25	13 126	14 244
Accrued expenses and prepaid income	26	38 774	33 477
Total current liabilities		**153 422**	**131 360**
Total liabilities		**322 372**	**328 479**
Total equity and liabilities		**760 918**	**776 069**

Consolidated statement of equity

SEK Thousand	Equity attributable to shareholders in the parent company				Total Equity
	Share Capital	Other contributed Capital	Conversion reserve	Balanced earnings including this year's results	
Opening Equity, 1 January 2022	1 170	1 188 237	14 606	-595 968	608 045
Comprehensive income for the year					
Net profit for the year				-154 563	-154 563
Other comprehensive income for the year			15 804		15 805
Comprehensive income for the year		–	15 804	-154 563	-138 758
Transactions with the Group's owners					
Contribution from and value transfers to owners					
Dividends paid		-22 188			-22 188
Premiums for warrants		566			566
Repurchase warrants		-75			-75
Total transactions with the Group's owners	–	-21 697	–	–	-21 697
Closing Equity, 31 December 2022	1 170	1 166 540	30 411	-750 531	447 590

Consolidated statement of equity, cont.

	Equity attributable to shareholders in the parent company				
SEK Thousand	Share Capital	Other contributed Capital	Conversion reserve	Balanced earnings including this year's results	Total Equity
Opening Equity, 1 January 2023	1 170	1 166 540	30 411	-750 531	447 590
Comprehensive income for the year					
Net profit for the year				19 303	19 303
Other comprehensive income for the year			-24 543		-24 543
Comprehensive income for the year	–	–	-24 543	19 303	-5 240
Transactions with the Group's owners					
Contribution from and value transfers to owners					
Dividends paid		-3 804			-3 804
Total transactions with the Group's owners	–	-3 804	–	–	-3 804
Closing Equity, 31 December 2023	1 170	1 162 736	5 867	-731 228	438 546

Consolidated statement of cash flows

January 1 - December 31

SEK Thousand	Note	2023	2022
Operating activities	33		
Profit/loss before tax		27 532	-154 651
Income tax paid		-4 624	-10 156
Adjustment for items not included in cash-flow		46 073	168 875
		68 981	4 069
Increase (–)/Decrease (+) in inventories		15	1 079
Increase (–)/Decrease (+) in operating receivables		-7 320	11 345
Increase (+)/Decrease (–) in operating liabilities		20 527	-56 977
Cash flow from operating activities		**82 202**	**-40 484**
Investment activities			
Acquisition of tangible assets		-703	-13 169
Acquisition of intangible assets		-10 735	-8 768
Leasehold deposit		–	-2 395
Cash flow from investment activities		**-11 437**	**-24 332**
Financing activities			
Premiums for warrants		–	491
Dividends paid		-3 804	-22 188
Amortization of lease liability		-25 549	-21 871
Cash flow from financing activities		**-29 352**	**-43 568**
Cash flow for the period		41 413	-108 384
Cash and cash equivalents at the beginning of the period		56 002	160 733
Exchange rate difference in cash and cash equivalents		-5 490	3 652
Cash and cash equivalents at the end of the period		**91 924**	**56 002**

Parent company - Income statement

January 1 - December 31

SEK Thousand	Note	2023	2022
Net Sales		4 508	4 862
		4 508	4 862
Personnel costs	5	-9 818	-7 775
Other operating expenses	4	-3 998	-6 298
Operating loss		**-9 308**	**-9 211**
Resultat från finansiella poster:			
Impairment of goodwill and intangible assets	32	–	-280 000
Interest income	7	5 798	951
Interest expenses	7	-1	-1
Other financial income	7	–	2
Loss after financial items		**-3 512**	**-288 259**
Received group contribution		–	8 000
Loss before tax		**-3 512**	**-280 259**
Tax	8	1 886	20
Net loss		**-1 625**	**-280 239**

Parent company - Income statement and comprehensive income

January 1 - December 31

SEK Thousand	Note	2023	2022
Net profit		**-1 625**	**-280 239**
Other comprehensive income			
Items that have been or may be transferred to profit/loss for the year			
		–	–
Items that cannot be translated into profit/loss for the year		–	–
Other comprehensive income for the year		–	–
Comprehensive income for the year		**-1 625**	**-280 239**

Parent company - Statement of financial position

January 1 - December 31

SEK Thousand	Note	31 Dec 2023	31 Dec 2022
Assets			
Non-current assets			
Financial fixed assets			
Shares in subsidiaries	32	296 354	296 354
Deferred tax asset	9	8 048	6 161
Total financial assets		304 402	302 515
Total non-current assets		**304 402**	**302 515**
Current assets			
Short term receivables			
Receivables from Group companies	31	182 306	193 271
Current tax asset		452	218
Other receivables		129	36
Prepaid costs and accrued revenue	20	241	187
Total short term receivables		183 128	193 712
Cash and cash equivalents	21	5 000	–
Total current assets		**188 128**	**193 712**
Total Assets		**492 530**	**496 228**

Parent company - Statement of financial position

January 1 - December 31

SEK Thousand	Note	31 Dec 2023	31 Dec 2022
Equity and liabilities			
Equity	22		
Restricted equity			
Share capital		1 170	1 170
Non-restricted equity			
Premium reserve		1 162 736	1 166 540
Retained earnings		-675 655	-395 416
Profit/loss for the year		-1 625	-280 239
Total Equity		**486 625**	**492 054**
Non-current liabilities			
Total non-current liabilities		–	–
Current liabilities			
Accounts payable		158	581
Other liabilities		1 166	1 001
Accrued expenses and prepaid income	26	4 581	2 592
Total current liabilities		5 905	4 173
Total equity and liabilities		**492 530**	**496 228**

Parent company - Equity statement

January 1 - December 31

SEK Thousand	Restricted equity	Unrestricted equity		
	Share Capital	Share premiums	Balanced earnings including this years's results	Total Equity
Opening Equity, 1 January 2022	1 170	1 188 237	-395 416	793 991
Comprehensive income for the year				
Net profit for the year			-280 239	-280 239
Other comprehensive income for the year				–
Comprehensive income for the year	–	–	-280 239	-280 239
Dividends paid		-22 188		-22 188
Premiums for warrants		566		566
Repurchase warrants		-75		-75
Closing Equity, 31 December 2022	1 170	1 166 540	-675 655	492 054
Opening Equity, 1 January 2023	1 170	1 166 540	-675 655	492 054
Comprehensive income for the year				
Net profit for the year			-1 625	-1 625
Other comprehensive income for the year	–	–	–	–
Comprehensive income for the year	–	–	-1 625	-1 625
Dividends paid		-3 804		-3 804
Closing Equity, 31 December 2023	1 170	1 162 736	-677 281	486 625

Parent company - Statement of cash flows

January 1 - December 31

SEK Thousand	Note	2023	2022
Operating activities	33		
Profit/loss before tax		-3 512	-280 259
Adjustment for items not included in cash-flow		–	280 000
		-3 512	-259
Increase (–)/Decrease (+) in operating receivables		10 584	25 139
Increase (+)/Decrease (–) in operating liabilities		1 732	-3 183
Cash flow from operating activities		**8 804**	**21 697**
Investment activities			
Cash flow from investment activities		–	–
Financing activities			
Dividends paid		-3 804	-22 188
Premiums for warrants		–	491
Cash flow from financing activities		**-3 804**	**-21 697**
Cash flow for the period		5 000	–
Cash and cash equivalents at the beginning of the period		–	–
Cash and cash equivalents at the end of the period		5 000	–

Notes

Not 1 Important accounting principles

(a) Compliance with standards and the law

The Group's Financial Statement has been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB) as adopted by the EU. Furthermore, the Swedish Financial. Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Group Concerns has been applied.

The parent company applies the same accounting principles as the Group except in the cases listed below in the section "Parent company accounting principles".

The annual report and consolidated accounts have been approved for issuance by the Board of Directors and the CEO on March 26, 2024. The Group's report on results and other comprehensive income and report on financial position and the parent company's income statement and balance sheet will be subject to approval by the Annual General Meeting on April 24, 2024.

(b) Valuation criteria applied when preparing the financial statements

Assets and liabilities are recognised at historical acquisition value.

(c) Functional currency and reporting currency

The parent company's functional currency is SEK, which is also the reporting currency for the parent company and for the Group. This means that the financial reports are presented in SEK.

(d) Assessments and estimates in the financial statements

Assessments made by management in the application of IFRS that have a significant impact on financial statements and estimates that may result in significant adjustments in the following year's financial statements are described in more detail in Note 35.

(e) New IFRS which is not yet in place

New and amended IFRS with future application is not expected to have a material effect on the company's financial reports.

(f) Consolidation principles and business acquisitions

(i) Subsidiaries

Subsidiaries are companies that are under the control of Cheffelo AB (publ). There is control if Cheffelo AB (publ) has influence over the investment, is exposed to or is entitled to variable returns from its involvement and can use its influence over the investment to influence returns.

Goodwill and trademarks are not depreciated but tested for impairment at least once per year. Other intangible assets in the consolidated financial statements are amortized over the asset's expected economic life.

(g) Foreign currency

(i) Foreign operations' financial statements

Assets and liabilities in foreign operations, including goodwill and other Group surplus and undervalues, are translated from the functional currency of the foreign operation into the Group's reporting currency, SEK, at the exchange rate prevailing at the balance sheet date. Income and expenses in a foreign operation are translated into SEK at an average value that approximates the prevailing exchange rates on each transaction date.

(h) Revenue

(i) Performance commitments and revenue accounting principles

The Group's revenue consists mainly of revenue from the sale of goods (mealkits). The revenue is reported when the Group has delivered the goods to the customer. Since several types of goods are delivered at the same time, the Group has chosen not to allocate the replacement of the various goods in a mealkit on different performance commitments. Customer loyalty schemes that enable customers to acquire additional goods at a discount are considered to give the customer a substantial right and thus constitute a separate commitment, see below.

Payment is made by card payment or invoice. In case of card payment, the customer will be charged a few days after delivery. Invoices usually become due within 14 days, but to a large extent they are sold on to factoring with immediate payment without recourse. The smaller proportion of invoices that have recourse has been transferred to a bank and cash and cash equivalents received. These trade receivables have not been written off from the financial position statement because the company retains the principal risks and benefits, which is the credit risk. The amount received from the bank is reported as a bank loan.

(ii) Customer loyalty programme

The Group has a customer loyalty program wherein the customer receives points for completed purchases. These are used to give the customer a discount on future purchases. Loyalty points are reported as a separate delivery item. This is done by allocating part of the received compensation to loyalty points, based on standalone sales prices and considering the number of points expected to be redeemed.

The amount allocated to the loyalty program is initially recognised as prepaid income (contractual liability) in the financial position report and is recognised as income when the loyalty points are exercised or matured. Loyalty Points must be repaid within 12 months, after which unused points expire.

(i) Leasing

When an agreement is concluded, the Group assesses whether the agreement is, or contains, a lease. A contract is, or contains, a lease if it transfers the right to determine for a certain period the use of an identified asset in exchange for payment.

(i) Leases where the group is a lessee

The leasing liability is divided into long-term and short-term elements. Lease payments are typically discounted using the Group's marginal borrowing rate, which, in addition to the Group's/company's credit risk, reflects the respective lease term, currency, and quality of the underlying asset intended as collateral. However, in cases where the implicit rate of the lease can be readily determined, that rate is used, as is the case for parts of the Group's leases of production equipment."

Group presents right of use assets and lease liabilities as separate items in the statement of financial position.

For leases that have a lease term of 12 months or less or with an underlying asset of low value, less than SEK 50,000, no right of use asset or lease liability is recognised. Leasing fees for these leases are recognised as an expense on a straight line basis over the lease period.

(j) Taxes

(i) Deferred tax

Deferred tax assets are reported in the financial position report to the extent that it is likely that the tax benefit will be utilized. Deferred tax is calculated with the application of the tax rates and rules that are determined, or de facto determined, at the balance sheet date.

(k) Financial instruments

Trade receivables are recognised when they are issued. The Group makes use of factoring. For the majority of accounts receivable transferred to the factoring company, the credit risk ceases, which is why the customer receivable is derecognized at that time. For a small proportion of transferred accounts receivable, the factoring company has a right of regress. These accounts receivable and debt to the factoring company are only derecognized once payment has been received from the customer.

(i) Financial assets

The Group's financial assets, primarily trade receivables and other receivables, are classified as valued at accrued acquisition value.

(ii) Financial liabilities

The Group's financial liabilities are classified as valued at accrued acquisition value. Financial liabilities valued at accrued acquisition value mainly refer to trade payables, other current liabilities and interest-bearing liabilities.

(iii) Impairment of financial assets

Financial instruments

The loss reserve for trade receivables is always valued at an amount corresponding to expected credit losses during the remaining term of the receivable.

When it is determined whether a financial asset's credit risk has increased significantly since the initial recognition and when calculating expected credit losses, the Group assumes reasonable and verifiable information that is relevant and available without unnecessary costs or resources. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and credit assessment and including forward - looking information. The Group applies the simplified method for calculating expected credit losses. The Group estimates that the credit risk on a financial asset has increased significantly if it is overdue by more than 30 days.

The Group assesses that a financial asset is in default when:

- it is unlikely that the borrower will pay all his credit obligations to the Group, without the Group having recourse such as realising a security (if any is held); Or
- the financial asset is overdue more than 90 days.

(l) Tangible fixed assets

Tangible fixed assets are reported in the Group at acquisition value after deductions for accumulated depreciation and any write-downs. The acquisition value includes the purchase price and expenses directly attributable to the asset to bring it into place and into a condition where it may be used in accordance with the purpose for which it was acquired.

The carrying amount of a tangible fixed assets is removed from the statement of financial position on scrapping or divestment.

The gain or loss arising from the scrapping or divestment of an asset is the difference between the selling price and the carrying amount of the asset. Profit and loss are recognised as other operating income/expense.

(i) Depreciation principles

Depreciation occurs on a straight-line basis over the estimated period of use of the asset. Depreciation is made to the estimated residual value, which is normally estimated at zero. Leased assets are also amortised over their estimated useful life or, if shorter, over the agreed lease period.

Estimated useful lives:

- Leasehold improvement costs — Contract length
- Machinery and technical fixed assets — 3 – 5 years
- Equipment — 5 years

(m) Intangible assets

(i) Goodwill

Goodwill is not amortized but is tested annually for potential impairment and whenever there are indications of impairment. Goodwill is allocated to cash-generating units that are expected to benefit from the synergies arising from the goodwill-generating unit. Each cash-generating unit to which goodwill has been allocated represents the lowest level within the entity at which goodwill is monitored internally.

An impairment is recognized when an asset's carrying amount exceeds its recoverable amount.

Goodwill is recognized at cost less any accumulated impairment losses.

(ii) Other intangible assets

Intangible fixed assets mainly consist of brands and customer relationships that are reported as a result of business acquisitions. Trademarks are tested for impairment at least annually, as they are considered to have an indefinite useful life.

(iii) Depreciation principles

Depreciation is reported in the profit and loss statement for the year on a straight-line basis, over the estimated useful lives of intangible assets to the estimated residual value of zero.

The estimated useful lives are:

- customer contracts and relationships — 7 years
- other intangible assets — 5 years

(n) Inventories

Inventories are valued at the lower of acquisition value and net realisable value. The acquisition values of inventory items are calculated by applying the first-in, first-out (FIFO) method and include expenses incurred in the acquisition of inventories and their transportation to their current location and state.

(o) Impairment losses

The Group's reported assets are assessed at each balance sheet date to determine whether there is an indication of impairment. IAS 36 is applied to impairment losses of assets other than financial assets which are reported in accordance with IFRS 9, inventories and deferred tax assets.

(i) Impairment of tangible and intangible assets

If an indication of impairment is available, the recoverable amount of the asset is calculated (see below). In addition, for goodwill, other intangible assets with an indeterminable useful life and intangible assets that are not yet ready for use, the recoverable amount is calculated annually.

When impairment is identified for a cash-generating unit (group of units), the impairment amount is first allocated to goodwill. Subsequently, a proportional impairment of other assets within the unit (group of units) is made. The carrying amount of an individual asset is not reduced below its recoverable amount or zero. An impairment is recognized as an expense in the current year's profit and loss statement.

(ii) Reversal of impairment

An impairment loss on assets included in the IAS 36 application area is reversed if there is both an indication that the impairment requirement no longer exists and there has been a change in the assumptions on which the recoverable amount was calculated. However, impairment of goodwill is never reversed.

(q) Employee remunerations

(i) Short-term remunerations

Short-term employee remunerations are calculated without a discount and are recognised as an expense when the related services are received.

(ii) Defined contribution pension plans

Defined contribution pension plans are those plans where the company's obligation is limited to the contributions the company has undertaken to pay. The company's obligations regarding contributions to defined contribution plans are recognised as an expense in the profit and loss statement for the year at the rate they are earned by the employees' performing services on behalf of the company over a period.

Parent company accounting principles

The parent company has prepared its annual report in accordance with the Annual Accounts Act (1995: 1554) and the Swedish Financial Council reporting recommendation RFR 2 Accounting for legal entities. Also by the Financial Reporting Board issued statements applicable to listed companies are applied. RFR 2 means that the parent company in the annual report for the legal person must apply all adopted by the EU IFRS and statements as far as possible within the framework for the Annual Accounts Act, the Social Security Act and with regard to the connection between accounting and taxation. The recommendation indicates which exceptions and additions to IFRS to be done.

Differences between the Group's and the Parent Company's accounting principles.

The differences between the Group's and the Parent Company's accounting principles are set out below. The ones listed below the accounting principles for the parent company have been applied consistent in all periods presented in the parent company's financial reports.

Classification and layout forms

An income statement and a report are reported for the parent company over profit and other comprehensive income, there for the group these two reports together constitute a report of results and other comprehensive income. It is also used for the parent company the terms balance sheet and cash flow analysis for the reports that in the group have the titles report over financial position and cash flow statement, respectively.

The income statement and balance sheet have been prepared for the parent company according to the schedules of the Annual Accounts Act, while the report of results and other comprehensive income, the report of changes in equity and the cash flow analysis are based on IAS 1 Presentation of financial statements, respectively IAS 7 Cash flow statement. The differences from the group's reports that apply to the parent company's earnings and balance sheets mainly consist of accounting of own capital and deferred tax assets.

Subsidiary
Shares in subsidiaries are reported in the parent company in accordance with the acquisition value method. This means that transaction expenses included in the carrying amount of holdings in subsidiaries. In the consolidated accounts, transaction expenses are reported attributable to subsidiaries directly in the result when these arise.

Financial instruments and hedge accounting
The parent company has chosen not to apply IFRS 9 for financial instrument. However, some of the principles in IFRS 9 are still in place applicable - such as for write-downs, booking / cancellation and the effective interest method for interest income and interest expenses.

Group contribution
Group contributions received / submitted are reported as a year-end appropriation in the income statement. The received / left the group contribution has affected the company's current tax.

Note 2 Revenues

Revenue streams

Group SEK Thousand	Total 2023	 2022
Revenues from contracts with customers	999 724	1 081 441
Other operating income	3 166	4 885
	1 002 890	1 086 326

Net sales refer to the sale of mealkits containing well-planned and healthy recipes and food.

Distribution of revenue from contracts with customers

The distribution of revenue from contracts with customers in main geographic markets, major product and service areas and the time of revenue recognition are summarized below,

Group SEK Thousand	Total 2023	 2022
Geographic market		
Norway	508 649	586 483
Sweden	369 974	383 558
Denmark	121 101	111 400
Sum	999 724	1 081 441
Time of revenue recognition		
Goods recognized at a given time	999 724	1 081 441
Total Revenue from contracts with Customers	999 724	1 081 441
Other income	3 166	4 885
Total External Revenue	1 002 890	1 086 326

Contractual liabilities

Information on receivables and contractual liabilities from contracts with customers is summarized below.

Group SEK Thousand	31.12.2023	31.12.2022
Accounts receivable	14 926	9 635
Contractual liabilities	6 528	4 298

Contractual liabilities consist of customer loyalty points that have not been utilized. The Group has customer loyalty programs that run for 12 months, previously 36 months; therefore the loyalty program has been reclassified from long-term contractual liabilities to short-term contractual liabilities. Revenues related to these programs will be recognized over the upcoming year. In the event that a customer has not made any purchases in the last three months, accrued points will expire.

Of the opening contractual debt as of 2022-01-01 and 2023-01-01, approximately one third has been recognized as income in 2022 and 2023, respectively.

Note 3 Revenues and operating segments

The Group's operations are divided into operating segments based on which parts of the business the company's top decision makers follow up, so-called "management approach" or company's management perspective.

The Group's operations are organised in such a way that Group management makes forecasts and monitors the results generated in the Group's various geographic markets. Every operating segment has its own operational business and regularly reports the outcome of the operating segment's performance and resource requirements to Group Management. As Group Management monitors the results of operations and decides on resource allocation based on the geographical markets, these constitute the Group's operating segments.

The Group's internal reporting is therefore structured so that group management can monitor all geographical markets' Performances and results. It is on the basis of this internal reporting that the Group's segments have been identified, as the different parts have undergone a process aimed at merging segments that are similar. This means that segments have been merged when they have similar economic characteristics, such as similar gross margins, and that production processes, customers and distribution methods; and that they operate in an environment with similar regulations.

The classification into operating segments is based on different geographical markets.

The following operating segments have been identified:

- Norway
- Sweden
- Denmark

The operating segments' results have included directly attributable items and items that can be allocated to the segments in a reasonable and reliable manner. The reported items in operating segments' earnings are valued in accordance with the earnings that the company's top decision makers follow up.

Transfer prices between the Group's different operating segments are set on the basis of the principle of "arm's length" i.e. between independent parties, well informed and with an interest in the conduct of transactions

Geographic market Group		
SEK Thousand	2023	2022
Total Assets		
Norway	337 043	376 313
Sweden	235 617	245 602
Denmark	18 139	22 588
	590 798	644 503

Information about major customers

The group has no major customers.

Group Operating Segments	Norway		Sweden		Denmark		Group-wide and Eliminations		Total consolidated	
SEK Thousand	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Net sales from external customers	508 649	586 483	369 974	383 558	121 101	111 400	–	–	999 724	1 081 441
Net sales from other segments									–	–
Operating profit before depreciation (EBITDA)	34 122	29 353	23 917	-10 668	-4 062	-17 877	24 837	20 255	78 815	21 063
Depreciation									-47 596	-49 873
Goodwill impairment									–	-120 000
Other operating expenses									-480	-520
Financial items, net									-3 206	-5 320
Consolidated profit before tax									27 532	-154 651

"The column "Group-wide and eliminations" regarding "Operating profit", refers to costs for Group-wide functions of -7,9 MSEK (-8,8) and differences in accounting principles of 32,7 MSEK (29,0). The differences in accounting principles between the information regarding the operating segments and the principles applied in the preparation of the financial statements consist of the application of IFRS 16 Leasing"

Note 4 Other operating expenses

SEK Thousand	2023	2022
Group		
Exchange losses on receivables/liabilities of an operating nature	-480	-520
	-480	-520
Parent company		
Exchange losses on receivables/liabilities of an operating nature	–	-8
Audit fee	-737	-870
Consultancy fee	-1 281	-3 327
Other	-1 980	-2 094
	-3 998	-6 298

Note 5 Employees, personnel expenses and remuneration to senior executives

Employee remunerations SEK Thousand	2023	2022
Group		
Salaries and allowances, etc.	151 708	168 934
Pension costs, defined contribution plans (see further note 24)	10 838	11 164
Social security fees	31 695	33 887
Other compensations	14 079	9 514
	208 319	223 498

Average number of employees	2023	Men%	2022	Men%
Parent company				
Sweden	3	100%	3	100%
Total parent company	3	100%	3	100%
Subsidiaries				
Norway	126	51 %	147	50 %
Sweden	98	50 %	111	49 %
Denmark	39	33 %	46	33 %
Total Subsidiaries	263	48 %	304	47 %
Group total	266	48 %	307	47 %

Gender balance in management	31 Dec 2023 Percentage of women	31 Dec 2022 Percentage of women
Parent company		
Board	40%	40 %
Other senior management	17%	17 %
Group		
Board	24%	24 %
Other senior management	17%	17 %

Note 5 Employees, personnel expenses and remuneration to senior executives, cont.

Salaries and other remuneration and pension costs for senior executives parent company

Parent company	2023		
SEK Thousand	Senior management	Other employees	Total
Salaries and allowances	6 239	1 211	7 450
(of which bonuses, and the like)	(–)	(–)	(–)
Parent company total	6 239	1 211	7 450
(of which bonuses, and the like)	(–)	(–)	(–)
Social expenses	3 037	625	3 662
(of which pension cost)	(866)	(177)	(1 043)

Parent company	2022		
SEK Thousand	Senior management	Other employees	Total
Salaries and allowances	5 037	540	5 578
(of which bonuses, and the like)	(–)	(–)	(–)
Parent company total	5 037	540	5 578
(of which bonuses, and the like)	(–)	(–)	(–)
Social expenses	2 615	847	3 462
(of which pension cost)	(831)	(179)	(1 010)

Salaries and other remuneration and pension costs for senior executives in the Group

Group	2023	2022
SEK Thousand	Senior management (6 persons)	Senior management (6 persons)
Salaries and allowances	15 152	12 987
(of which bonuses, and the like)	(–)	(–)
Pension	1 550	1 910

Long-term incentive programs

At the annual general meeting in 2021, the shareholders of Cheffelo adopted a long-term incentive program based on warrants aimed at the Company's executive management and other key employees. A total of 232 800 warrants were authorized, of which 172 800 are currently outstanding at a strike price of SEK 103 in 2024. In the same year, it was also decided to adopt an incentive program directed to external members of the board of directors. A total of 48 000 warrants were authorized, of which 19 200 are currently outstanding at a strike price of SEK 87 in 2025.

At the annual general meeting in 2022, the shareholders of Cheffelo resolved to adopt a long-term incentive program aimed at the Company's executive management and other key employees. A total of 215 000 warrants were authorized, of which 140 200 are currently outstanding at a strike price of SEK 30.5 in 2025. At the same meeting, the shareholders of Cheffelo also decided to adopt a long-term incentive program based on performance shares aimed at the Company's senior executives and key employees. The performance requirement linked to the company's turnover and EBIT for the financial years 2022-2023 was not met. In accordance with the terms of the program, the board decided to terminate the program without any allocation of performance shares to the participants.

At the annual general meeting in 2023, the shareholders of Cheffelo resolved to adopt a long-term incentive program aimed at the Company's executive management and other key employees. A total of 380 000 warrants were authorized, of which 216 832 are currently outstanding at a strike price of SEK 22.4 in 2025.

Guidelines for remuneration to senior executives

At the 2021 annual general meeting, principles for remuneration to senior executives were decided. The company strives to offer a total compensation that is market-based and that thereby able to attract and retain qualified employees. The compensation must be based on the employee's position, responsibilities and performance. The total compensation to senior executives shall consist of fixed salary, variable cash compensation and pension.
The fixed salary forms the basis of the total compensation. The fixed salary must be based on of the group management member competence, responsibility and performance and must be competitive in relation to the current market standard. The variable compensation must be linked predetermined and measurable criteria and is mainly based on the group's financial results for each year. Variable compensation paid in cash must not exceed 100% of the fixed salary. Pensions must be designed in such a way that they reflect normally accepted levels and customs in the country where the group management member is employed. If possible, the pensions should be premium determined. The group applies a notice period of a maximum of twelve months. At own termination generally applies to six months' notice. Upon dismissal from Cheffelo on the Group's side, severance pay can be paid with up to nine months' salary. In addition to the aforementioned movable compensation may be added from time to time decided share-based incentive programs, which must be decided by the annual general meeting.

Note 6 Remuneration to auditors

SEK Thousand	2023	2022
Group		
KPMG AB		
Audit	1 115	1 029
Auditors' activities over and above the auditing assignment	170	145
Tax advice	60	60
KPMG AS		
Audit	383	326
Auditors' activities over and above the auditing assignment	116	74
Beierholm		
Audit	564	257
	2 408	1 891
Parent company		
KPMG AB		
Audit	632	574
Auditors' activities over and above the auditing assignment	85	75
Tax advice	20	20
	737	669

Audit assignments refer to statutory audits of the annual and consolidated accounts and book-keeping as well as the board's and the CEO's management as well as audit and other review carried out in accordance with agreement.

This includes other tasks that the company's auditor is responsible for performing, as well as advice or other assistance that has been prompted by observations during such review or the implementation of such other tasks.

Note 7 Net financial items.

Group SEK Thousand	2023	2022
Interest income	2 814	1 002
Exchange rate gains	6 626	998
Other financial income	–	398
Total interest income derived from financial assets valued at amortised acquisition value	**9 440**	**2 398**
Financial liabilities measured at amortised acquisition value – interest expense		
Interest expenses relating to leasing	-7 179	-7 139
Other interest expenses	-115	-135
Exchange rate losses	-5 103	-374
Other financial expenses	-249	-71
Financial expenses	**-12 646**	**-7 719**
Net financial items reported in earnings	**-3 206**	**-5 320**

Parent company SEK Thousand	2023	2022
Profit or loss from shares in group companies		
Impairment	–	-280 000
	–	-280 000

Parent company SEK Thousand	2023	2022
Interest income and similar income items		
Interest income, group	5 797	951
Other	1	2
Total	5 798	953
Interest expenses and similar expense items		
Other interest expenses	-1	-1
Total	-1	-1
whereof Group	–	–
whereof other	-1	-1

Note 8 Taxes

Reported in the profit and loss statement

Group SEK Thousand	2023	2022
Current tax expense		
Tax expense for the year	-5 115	-4 453
	-5 115	-4 453
Deferred tax expense		
Deferred tax on temporary differences	-3 114	4 541
	-3 114	4 541
Total reported tax expense for the Group	-8 229	87

Parent company SEK Thousand	2023	2022
Current tax expense		
Tax expense for the year	–	–
	–	–
Deferred tax expense		
Deferred tax on temporary differences	1 886	20
	1 886	20
Total reported tax expense for the parent company	1 886	20

Reconciliation of effective tax Group SEK Thousand		2023		2022
Profit before tax		27 532		-154 651
Tax at the applicable tax rate for Parent company	20,6%	-5 672	20,6%	31 858
The effect of other tax rates for foreign Subsidiaries	1,4%	384	-0,7%	1 099
Non-deductible or non-taxable items	-7,8%	-2 143	17,5%	-27 036
Effect of other permanent differences	-1,2%	-329	0,1%	-196
Increase in loss carry forwards without corresponding activation of deferred tax	-5,8%	-1 606	3,6%	-5 627
Tax attributable to previous years	0,2%	-57	0,0%	-11
Tax financial net	4,3%	1 194	0,0%	–
Reported effective tax	***-29,9%***	***-8 229***	***-0,1%***	***87***

For the years 2022 and 2023, the reimbursement of interest expenses is included, as interest deduction restrictions exist for these years.

Parent company SEK Thousand		2023		2022
Profit before tax		-3 512		-280 259
Tax at the applicable tax rate for Parent company	20,6%	723	20,6%	57 733
Non-deductible or non-taxable items	-0,1%	-4	-0,9%	-32
Increase in loss carry forwards without correspon-ding activation of deferred tax	0,0%	–	0,0%	–
Write-down of financial assets	0,0%	–	-20,6%	-57 680
Tax attributable to previous years	-0,8%	-27	-0,1%	-2
Tax financial net	34,0%	1 194	0,0%	–
Effect of changes in tax rates/and tax laws	0,0%	–	0,0%	–
Reported effective tax	***53,7%***	***1 886***	***0,0%***	***20***

Not 9 Deffered Tax

SEK Thousand	2023	2022
Opening balance	-40 993	-43 848
Tax loss carryforward	-3 584	2 650
IFRS 16 leasing	637	-121
Depreciation	495	1 328
Translation difference	2 057	-1 002
Closing balance 2023-12-31	-41 388	-40 993
Deferred tax liability		
Assets	-65 911	-68 576
Total deferred tax liability	-65 911	-68 576
Deferred tax asset		
Deficit	21 861	25 558
IFRS 16 leasing	2 663	2 026
Total deferred tax asset	24 523	27 583

In the parent company, the deferred tax assets amount to KSEK 8,048 (6,161)

Deferred tax assets are recognized based on expected gains in the coming years.

Unrecognized deferred tax assets
Deductible temporary differences and tax loss deductions for which deferred tax assets have not been recognized in the financial position report.

SEK Thousand	2023	2022
Group		
Tax deficits	32 744	25 577
	32 744	25 577
Parent company		
Tax deficits	–	–
	–	–

In addition to the above deficits, there are unused deficits attributable to interest deduction restrictions that are limited in time.

Change in tax rate

No change in the tax rate after the reduction to 20.6% for fiscal years beginning January 1, 2022 or later.

Note 10 Earnings as of share

Earnings as of share for total operations

SEK Thousand	2023	2022
Earnings as of share	1,52	-12,19

The amounts used in numerators and denominators are set out below.

Earnings as of share, before and after dilution

Profit for the year attributable to the parent company's shareholders.

SEK Thousand	2023	2022
Profit for the year attributable to shareholders of the parent company	19 303	-154 563
Profit attributable to the parent company's shareholders	19 303	-154 563

Weighted average number of shares, before and after dilution

Thousand shares	2023	2022
Weighted average number of shares	12 679	12 679
Weighted average number of shares, before and after dilution	12 679	12 679

Note 11 Goodwill

Group SEK Thousand	2023	2022
Cumulative acquisition value		
Opening balance	671 872	661 648
Exchange rate differences for the year	-12 302	10 224
Closing balance	659 569	671 872
Accumulated depreciation		
Opening balance	-541 000	-421 000
Impairment	–	-120 000
Closing balance	-541 000	-541 000
Carrying values		
Opening balance	130 872	240 648
Closing balance	118 569	130 872

Impairment testing of goodwill and brands

Goodwill and brands are distributed among the Group's cash-generating units as follows:

SEK Thousand	Goodwill	Trademarks
Sweden	11 308	176 654
Norway	103 450	134 028
Denmark	3 812	–
Carrying value 2023-12-31	118 569	310 683
Sweden	11 308	176 654
Norway	115 593	143 544
Denmark	3 971	–
Carrying value 2022-12-31	130 872	320 198

The fair value is based on the value in use, which is calculated based on discounted futures cash flows. These estimated future cash flows are based on the budget for the future year and an assumption about the financial development for a five-year period. The forecasts are based on assumptions about turnover and EBIT margins, based on historical experience and the company's upcoming planned launches. The cash flows calculated after the first five years have been based on a constant annual growth rate of 2% for all countries.

The annual impairment test conducted at the end of 2023 did not result in any impairments.

The discount rate which applied for the present value calculation of expected future cash flows consists of a weighted average cost of capital (WACC) after tax.

The following discount rates have been used:

Pre-tax discount rate (WACC), %	2023	2022
Sweden	21,5	22,5
Norway	23,1	24,2
Denmark	21,8	22,6

After -tax discount rate (WACC), %	2023	2022
Sweden	17,1	17,9
Norway	18,0	18,9
Denmark	17,0	17,6

A sensitivity analysis has been carried out on the updated test results, regarding further change in discount rate and growth assumptions. The group management assesses that reasonable changes in these variables (assumptions) would not have such significant effects that each individually would reduce the recoverable amount to a value lower than the carrying amount after impairment.

Note 12 Trademarks

Group SEK Thousand	2023	2022
Cumulative acquisition value		
Opening balance	323 204	318 890
Exchange rate differences	-9 515	4 314
Closing balance	313 689	323 204
Accumulated depreciation and amortisation		
Opening balance	-3 005	-3 005
Closing balance	-3 005	-3 005
Carrying amounts		
Opening balance	320 198	315 884
Closing balance	310 683	320 198

Given the strong brands that the company holds, the company believes that there is no specific useful life and thus no depreciation according to plan. Trademarks are subject to impairment in accordance with the same principle as for Goodwill, see note 11.

Note 13 Customer contracts and relationships

Group SEK Thousand	2023	2022
Cumulative acquisition value		
Opening balance	98 017	97 102
Exchange rate differences	-1 123	915
Closing balance	96 894	98 017
Accumulated depreciation and amortisation		
Opening balance	-94 217	-85 445
Depreciations	-2 302	-8 019
Exchange rate differences	950	-753
Closing balance	-95 569	-94 217
Carrying amounts		
Opening balance	3 800	11 657
Closing balance	1 325	3 800

Note 14 Other intangible assets

Group SEK Thousand	2023	2022
Cumulative acquisition value		
Opening balance	58 876	48 741
Other investments	10 573	8 846
Exchange rate differences	- 2 970	1 289
Closing balance	66 479	58 876
Accumulated depreciation		
Opening balance	-39 201	-30 812
Depreciations	-9 039	-7 652
Exchange rate differences	1 882	-737
Closing balance	-46 358	-39 201
Carrying amounts		
Opening balance	19 675	17 929
Closing balance	20 122	19 675

Other intangible assets consist mainly of the Group's proprietary technical and digitial platform which the Group's business processes.

Note 15 Improvement expenses to third party property

Group SEK Thousand	2023	2022
Acquisition Value		
Opening balance	8 072	7 146
Acquisitions	76	926
Exchange rate differences	-33	–
Closing balance	8 115	8 072
Depreciations		
Opening balance	-6 356	-5 021
Depreciations	-737	-1 335
Exchange rate differences	3	–
Closing balance	-7 090	-6 356
Carrying amounts		
Opening balance	1 716	2 125
Closing balance	1 025	1 716

Note 16 Machinery and other technical fixed assets

Group SEK Thousand	2023	2022
Acquisition Value		
Opening balance	22 399	20 740
Acquisitions	–	3 094
Divestments	-46	-2 743
Exchange rate differences	-804	1 309
Closing balance	21 549	22 399
Depreciations		
Opening balance	-11 096	-8 805
Depreciations	-3 250	-4 081
Divestments	39	2 375
Exchange rate differences	406	-586
Closing balance	-13 901	-11 096
Carrying amounts		
Opening balance	11 303	11 935
Closing balance	7 648	11 303

Note 17 Equipment

Group SEK Thousand	2023	2022
Acquisition Value		
Opening balance	38 207	27 938
Acquisitions	578	8 557
Ongoing construction	–	819
Exchange rate differences	-1 147	893
Closing balance	37 638	38 207
Depreciations		
Opening balance	-18 476	-12 512
Depreciations	-5 484	-5 623
Exchange rate differences	710	-340
Closing balance	-23 250	-18 476
Carrying amounts		
Opening balance	19 731	15 426
Closing balance	14 388	19 731

Note 18 Inventory

SEK Thousand	31 Dec 2023	31 Dec 2022
Group		
Commodities	12 897	13 330
	12 897	13 330

Note 19 Accounts receivable

Trade receivables are recognized after taking into account the loss reserve. Bad debt losses for the group during the year amounted to KSEK 2,439 (2,430). In the Parent Company, customer losses amounted to KSEK 0 (0).

SEK Thousand	31 Dec 2023	31 Dec 2022
Group		
Accounts receivable at face value	17 678	11 667
Provisions for losses on accounts receivable	-2 751	-2 032
	14 926	9 635
Parent company		
Accounts receivable at face value	–	–
Provisions for losses on accounts receivable	–	–
	–	–

The company has transferred accounts receivable to a bank in the form of a factoring arrangement and received cash and cash equivalents. The accounts receivable have not been booked away from the financial condition report because the company retains the main risks and benefits, which constitute of credit risk, see Note 27. The amount is recorded as Short-term liability, see Note 23.

The amount that the company has received from the bank:

SEK Thousand	31 Dec 2023	31 Dec 2022
Group		
The carrying amount of accounts receivable that have been transferred to bank	3 015	3 687
The carrying amount of the related liabilities	3 015	3 687
Parent company		
The carrying amount of accounts receivable that have been transferred to bank	–	–
The carrying amount of the related liabilities	–	–

Note 20 Prepaid expenses and accrued revenues

SEK Thousand	31 Dec 2023	31 Dec 2022
Group		
Accrued revenue from suppliers	2 788	2 091
Prepaid leasing fees	3 444	3 372
Prepaid goods costs	846	1 132
Prepaid marketing costs	3 999	1 202
Other	3 794	3 154
	14 871	10 951
Parent company		
Other	241	187
	241	187

Note 21 Cash and cash equivalents

SEK Thousand	31 Dec 2023	31 Dec 2022
Group		
The following components are included in cash and cash equivalents:		
Cash and bank balances	91 924	56 002
Total according to consolidated statement of financial position	91 924	56 002
Total according to consolidated cash flow statement	91 924	56 002
Parent company		
The following components are included in cash and cash equivalents:		
Cash and bank balances	5 000	–
Total according to consolidated statement of financial position	5 000	–
Total according to consolidated cash flow statement	5 000	–

Note 22 Total Equity

Share class – Thousands of shares	2023	2022
Shares		
Issued as of 1 January	12 679	12 679
Issued as of December 31 – paid	12 679	12 679

As of 31 December 2023, the registered share capital comprised SEK 1,170,129 (1,170,129) with a quota value of SEK 0.09 (SEK 0.09).

Holders of shares are entitled to dividends that are determined gradually and the shareholding entitles to voting rights at the general meeting with one vote per share.

The shareholding entitles to voting rights at the General Meeting with one vote per share.

Translation reserve
The translation reserve includes all exchange differences arising from the translation of financial statements from foreign operations that have prepared their financial statements in a currency other than the currency in which the Group's financial statements are presented. The Parent Company and the Group present their financial statements in the Swedish kronor (SEK).

Premium fund
When shares are issued at a premium, i.e. at an issue price higher than the quota value of the shares, an amount equal to the amount received in addition to the quota value of the shares shall be transferred to the share premium fund.

Retained earnings
Retained earnings consist of the previous year's retained earnings and profit after deduction of dividend paid during the year.

Note 23 Liabilities to credit institutions

SEK Thousand	31 Dec 2023	31 Dec 2022
Liabilities to credit institutions		
Right of recourse factoring companies	3 015	3 687
Other	–	–
	3 015	3 687

Not 24 Pensions

Defined contribution pension plans

The Group only has defined contribution pension plans.
Payment to these plans is made on an ongoing basis according to the rules in each plan.

SEK Thousand	2023	2022
Group		
Costs of defined contribution plans	10 838	11 164
Parent company		
Costs of defined contribution plans	1 043	1 010

Note 25 Other liabilities

SEK Thousand	31 Dec 2023	31 Dec 2022
Other non-current liabilities		
Other	–	–
	–	–
Other current liabilities		
Other	13 126	14 244
	13 126	14 244

Not 26 Accrued expenses and deferred income

SEK Thousand	31 Dec 2023	31 Dec 2022
Group		
Accrued personnel costs	25 951	21 865
Accrued lease expenses	979	1 189
Accrued goods and delivery costs	1 329	2 342
Other	10 515	8 081
	38 774	33 477
Parent company		
Accrued personnel costs	2 807	2 112
Other	1 774	480
	4 581	2 592

Note 27 Evaluation of assets and liabilities, financial risks and risk management

Fair value
The fair value of interest-bearing liabilities is calculated by discounting future cash flows of principal and interest to current market rate.

Carrying amount of long-term receivables, accounts receivable, other current receivables, cash and bank, accounts payable, other non-current liabilities and other current liabilities constitute a reasonable approximation of fair value.

Financial risks and risk management
Through its operations, the Group is exposed to various types of financial risks.

- Credit risk
- Liquidity risk
- Market risk

Financial risk management framework
Responsibility for the Group's financial transactions and risks is managed centrally by the Group's finance function. The overall objective of the finance function is to provide cost-effective financing and to minimize adverse effects on the Group's earnings arising from market risks.

Liquidity risk
The liquidity risk is the risk that the Group may have problems fulfilling its obligations associated with financial liabilities. The Group is based on a 12-month liquidity plan covering all of the Group's units. The planning is updated every quarter. The Group's 3-year forecasts include medium-term liquidity planning. Liquidity planning is used to manage the liquidity risk and the costs of financing the Group. The goal is for the Group to be able to cope with its financial commitments in ups as well as downturns without significant unforeseeable costs and without risking the reputation of the group. The Group's policy is to minimize the need for borrowing by using excess liquidity within the Group through cash pools that have been set up by the central finance department. Liquidity risks are managed centrally for the entire Group by the central finance department.

The company's financial liabilities at year-end amounted to MSEK 66 (58) and maturity structure of debt is shown in the table on page 77.

Capital management
The Group's financial objective is to have a good financial position, which helps to ensure that investors, creditors' and market confidence and provide a basis for the continued development of business operations; while maintaining the long-term returns generated to shareholders are satisfactory.

Capital management in the Group aims to ensure that the business is adequately capitalized to meet the risks in the business taking into account the scope of the Group's financing activities and associated risks and, in the long term, increasing the value of ownership.
The capital structure is mainly affected by the profitability of the business, possible dividends and investments. Liquidity planning within the Group also takes into account how capital needs are expected to develop over the next three years.

The reported equity in the consolidated balance sheet is defined as capital.

	2023	2022
Equity ratio %		
Total equity	438 546	447 590
Balance sheet total	760 918	776 069
Equity ratio (Total equity/Total assets)	57,6%	57,7%

During the year, there was no change in the Group's capital management.
Neither the parent company nor any of the subsidiaries are subject to external capital requirements.

Note 27 Evaluation of assets and liabilities, financial risks and risk management, cont.

Maturity structure financial liabilities – undiscounted cash flows

31.12.2023	Cur-rency	Nom. Amount original currency	KSEK	< 1 month	1-3 month	3 month -1 year	1-5 years	> 5 years
Accounts payable		62 613	62 613	62 613				
Leasing liabilities	SEK	45 803	50 695	1 048	2 096	9 433	38 118	–
Leasing liabilities	NOK	78 887	88 865	1 409	2 818	12 681	60 863	11 095
Leasing liabilities	DKK	4 076	6 368	251	501	2 255	3 360	–
Total			208 541	65 321	5 415	24 369	102 342	11 095

31.12.2022	Cur-rency	Nom. Amount original currency	KSEK	< 1 month	1-3 month	3 month -1 year	1-5 years	> 5 years
Accounts payable		53 969	53 969	53 969				
Leasing liabilities	SEK	52 470	59 465	998	1 997	8 986	43 271	4 213
Leasing liabilities	NOK	84 403	104 465	1 398	2 794	12 575	65 810	21 888
Leasing liabilities	DKK	4 553	7 324	202	404	1 817	4 901	–
Total			225 223	56 567	5 195	23 378	113 982	26 101

Market risk

Market risk is the risk that the fair value of or future cash flows from a financial instrument vary due to changes in market prices. Market risks are divided by IFRS into three types; currency risk, interest rate risk and other price risks. The market risks that primarily affect the Group consist of interest rate risks and currency risks. According to current policy, the company does not hedge against market risks.

The Group's objective is to manage and control market risks within established parameters and at the same time optimize the result of risk-taking within given frameworks. The parameters have been determined with the aim that the short-term market risks (6–12 months) will only marginally affect the Group's earnings and position. In the longer term, however, sustained changes in exchange rates and interest rates will have an impact on consolidated earnings.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments varies due to changes in market interest rates. Interest rate risk can lead to changes in fair values and changes in cash flows. A significant factor that affects interest rate risk is the fixed interest period.

The Group's interest rate risk arises mainly through long-term borrowing and is managed by the central financial function. The group currently has no long-term borrowing.

The Group has actively chosen not to secure itself against risks regarding changes in interest rates.

Sensitivity analysis – interest rate risk

The impact on interest income and interest expenses during next twelve-month period in the event of a rise/decrease in interest rates of 1 percentage point on the balance sheet date amounts to +/- alt. -/+ 0 KSEK (2022 +/- alt. -/+ 0 KSEK) – given the interest-bearing assets and liabilities that exist as of the balance sheet date.

Currency risk

The risk that fair values and cash flows regarding financial instruments may fluctuate when the value of foreign currencies changes is called currency risk. The group has limited exposure to currency risk on transactions because income and expenses are mainly in the same currency. The functional currency for the group companies is primarily in SEK. Transactions are primarily made in the currencies SEK, EUR, NOK and DKK.

The group has chosen not to hedge translation exposures in foreign currency.

Sensitivity analysis - currency risk

A 10% strengthening of the Swedish krona against other currencies as of 31 December 2023 would mean a change in equity by MSEK -23.2 (-23.8) and in profit by MSEK -0.2 (1.3). The sensitivity analysis is based on all other factors (eg the interest rate) remaining unchanged. The same conditions were applied for 2022.

Credit risk

Credit risk is the risk that a client or counterparty of a financial instrument is unable to meet its commitment, thereby causes the Group a financial loss and arises mainly from the Group's accounts receivable. The carrying amount of financial assets constitutes the maximum credit exposure. Bad debt does not amount to significant amounts and has historically amounted to less than MSEK 8.5.

Credit risk in cash and cash equivalents

The Group has cash and cash equivalents of KSEK 91,924 as of December 31, 2023 (56,002). For cash and cash equivalents, banks and financial institutions counterparties, which are rated AA- to AA+, based on Standard & Poor's Credit Market Services Europe Ltd credit rating.

Credit risk in receivables from Group companies
The Parent Company's credit risk exposure is mainly affected by the individual characteristics of each Group company. Management takes into account however, the factors that may affect the credit risk of the group companies, including the risk of default in the country where the Group companies are active.

Changes in write-down reserves for accounts receivable
The change in impairment reserves for accounts receivable during the year was as follows.

SEK Thousand	2023	2022
Group		
Opening balance as of January 1	2 032	3 191
Change in loss reserve	719	-1 158
Closing balance as of December 31	2 751	2 032

Below is a summary of the credit risk exposure and feared credit losses for consumer accounts receivable as of December 31, 2023.

31 December 2023 SEK Thousand	Gross carrying amount	Loss reserves	Net
Not overdue	14 043	–	14 043
Overdue 1–30 days	–	–	–
Overdue 31–60 days	417	32	385
Overdue 61–90 days	694	196	499
Overdue 91– days	2 524	2 524	–
	17 678	2 751	14 926

31 December 2022 SEK Thousand	Gross carrying amount	Loss reserves	Net
Not overdue	8 312	82	8 230
Overdue 1–30 days	79	2	77
Overdue 31–60 days	740	73	668
Overdue 61–90 days	508	152	357
Overdue 91– days	2 028	1 724	304
	11 667	2 032	9 635

Note 28 Lease agreement

Leases where the company is a lessee
The Group's property, plant and equipment consists of both owned and leased assets.

The Group leases several types of assets. No lease agreements contain covenants or other limitations in addition to the security of the leased asset.

Right of use assets SEK Thousand	Real estates	Machines	Vehicles	Total
Depreciation 2022	-20 521	-1 904	-625	-23 050
Closing balance 2022-12-31	129 176	5 700	2 332	137 208
Depreciation 2023	-23 854	-1 998	-754	-26 606
Closing balance 2023-12-31	110 053	4 260	2 723	117 037

Additional usufruct assets ("Additions to right-of-use assets") in 2023 amounted to KSEK 11,640 (55,243). This amount includes the acquisition value of new acquisitions during the year rights of use and additional amounts when reconsidering leasing liabilities due to changed payments as a result that the leasing period has changed.

For a maturity analysis of the leasing liabilities, see Note 27 Financial risks and risk management in the section on liquidity risk

Amounts reported in earnings SEK Thousand	2023	2022
Group		
Depreciation of right-of-use assets	26 606	23 050
Interest on leasing liabilities	7 179	7 139
Costs of low-value leases	596	683

Amounts recognised in profit or loss SEK Thousand	2023	2022
Total cash outflows attributable to leases	31 730	23 733

The above cash outflow includes both amounts for lease agreements recorded as leasing liabilities, as well as amounts paid for variable lease fees and leases of low value.

Realestate leasing

The Group leases buildings for its office premises. The leasing agreements for office premises have normally a term of 3-5 years. Some leasing agreements include an option to at the end of the leasing period renew the leasing agreement for another period with the same term.

Some leasing agreements include leasing fees that are based on changes in local price index. Some leasing agreements require the Group to pay fees relating to property taxes which is placed on the lessor. These amounts are determined annually.

Extension and termination options

Some leasing agreements contain extension options and termination options, respectively The Group can use or not use up to one year before the expiry of the non-cancellable the leasing period. When it is practical, the Group tries to include such options in new leasing agreements as it contributes to operational flexibility. The options can only be used by the Group, not by the lessor. Whether it is reasonably certain that an extension option will be utilized or not is determined on the commencement date of the leasing agreement. The Group reconsider whether it is reasonably certain that an extension option will be exercised or not if there is an important event or significant changes in circumstances within Group control.

The Group's lease agreements for office premises mainly consist of non-cancellable periods of 3 years, which is extended by additional periods of 3 years if the Group does not terminate the agreement with 0 to 9 months notice. For offices, the Group assesses in the majority of cases that it is not reasonably certain that the agreements will be extended beyond the first period - i.e. the leasing period is usually assessed as a period. Reported lease liabilities for these agreements amount to KSEK 36,157 (40,771).

The Group's agreement for the lease of other premises in the business consists of non-cancellable periods in 2-15 years, with options for the Group to exercise additional periods. The agreements contain no final end date. For agreements with a non-cancellable period of 5-15 years, it has considered that it is not reasonably certain that additional periods will be utilized. For agreements such as has a shorter non-cancellable period than 5 years, it is judged in most cases that it is reasonably safe that additional period or periods will be utilized, resulting in leasing periods if usually 7-15 years. Reported lease liability for these agreements amounts to KSEK 86,291 (99,285).

During the year, the Group did not exercise any options that were not previously included in the lease liability. Significant changes may occur in the future in the event of a reconsideration of the leasing period would occur in respect of any of the Group's significant property agreements.

Other leasing agreements

The Group leases vehicles and equipment with leasing periods of 1 to 8 years. In some cases have The Group an opportunity to buy the asset at the end of the leasing period. In other cases, guarantees The Group the residual value of the leased asset at the end of the leasing period. Extension options occurs only to an insignificant extent.

Estimated residual value guarantees are reconsidered at each balance sheet date to revalue the lease liability and the right of use asset. On December 31, 2023, the Group estimates that residual value guarantees amount to KSEK 341.

The Group also leases machines such as coffee machines and IT equipment with leasing periods in one to three years. These leasing agreements are leases of low value. The Group has chosen not to report right of use assets and lease liabilities for these leases

Note 29 Pledged collateral, contingent liabilities and contingent assets

Contingent liabilities and contingent assets

The Group has no pledged collateral, contingent liabilities or contingent assets.

Note 30 Appropriation of profit or loss

Proposed appropriation of profit and loss

Unrestricted equity is available to the Annual General Meeting are as below.

Share premium reserve	1 162 736
Retained earnings	-675 655
Profit/loss for the year	-1 625
Total	485 455

The Board of Directors proposes the following profit allocation KSEK	
Dividend of SEK 1,78 per share	22 568
Share premium reserve	1 140 168
Retained earnings	-677 281
Total	485 455

The board proposes that KSEK 485,455 be allocated to SEK 1,78 per share corresponding to KSEK 22,568, based on the number of shares as of 31 december 2023. The remaining amount of KSEK 462,887 is carried forward to new account, of which KSEK 1 140,168 to the share premium reserve and KSEK -677,281 to retained earnings.

The dividend proposed by the Board corresponds to 4,6 percent of the parent company's equity, respectively 5,1 percent of the Group's equity.

The board asses that the proposed dividend is well-balanced with regards to the business targets, scope and risks. The group will continue to be able to fulfil the company's future obligations. If the dividend had been paid at the turn of the year, the equity / assets ratio in the Group would have been 55 percent. After payment of the proposed dividend, Cheffelo is expected to continue to have a good financial position.

Cheffelo's dividend policy aims to provide shareholders with a dividend that provides a good dividend yield while providing the company has the opportunity to invest in strategic growth opportunities.

The goal of the dividend is for it to amount to at least 50% of the cashflow from current operations minus the acquisition of fixed assets and amortization of leasing debt over the next few years.

Note 31 Associated companies

Associated relationships

The parent company has an associated relationship with its subsidiaries, see Note 32. Details of the remuneration to the respective key senior executive, see Note 5.

Summary of related party transactions

Group			
SEK Thousand	Year	Claim associated company per 31 December	Debt associated company per 31 December
Associated company			
	2023	–	–
	2022	–	–

Parent company				
SEK Thousand	Year	Claim associated company per 31 December	Debt associated company per 31 December	Revenue associated company
Associated company				
Cheffelo Denmark ApS	2023	–	–	–
Cheffelo Denmark ApS	2022	–	–	–
Cheffelo Norway AS	2023	1 228	–	4 508
Cheffelo Norway AS	2022	1 155	–	4 862
Cheffelo Sweden AB	2023	181 078	–	–
Cheffelo Sweden AB	2022	184 116	–	–
Cheffelo NewCo AB	2023	–	–	–
Cheffelo NewCo AB	2022	8 000	–	–

The companies' transactions with associated parties primarily consist of management costs and services. Transactions with associated parties are priced on market terms.

Not 32 Group companies

The consolidated financial statements include Cheffelo AB (publ) and subsidiaries (the Group). Subsidiaries are companies over which Cheffelo AB (publ) (directly or indirectly) has control. Control is achieved when the group is exposed to or is entitled to a variable return from its involvement in a company where it invested, and has the opportunity to influence this return through its influence over this company.

Participations in Group companies	Subsidiary's registered office, country	31.12.2023	Ownership % 31.12.2022
Cheffelo NewCo AB	Sundbyberg, Sweden	100%	100%
Cheffelo Sweden AB	Sundbyberg, Sweden	100%	100%
Cheffelo Norway AS	Oslo, Norway	100%	100%
Cheffelo Denmark ApS	Helsingör, Denmark	100%	100%

Not 32 Group companies, cont.

Parent company	31 Dec 2023	31 Dec 2022
Cumulative acquisition value		
Opening balance	953 454	953 454
Closing balance December 31	953 454	953 454
Accumulated depreciation and impairments		
Opening balance	-657 100	-377 100
Impairment	–	-280 000
Closing balance December 31	-657 100	-657 100
Carrying value December 31	296 354	296 354

If there is an indication of the need for impairment, the asset's recovery value is calculated. The recovery value is based on the value in use, which is calculated based on discounted future cash-flows. The impairment requirement in 2023 for shares in subsidiaries has been assessed at KSEK 0 (KSEK 280,000).

Specification of the parent company's direct holding of shares in subsidiaries

Subsidiaries/ Organization number/ registered office	Number of shares	Shares %	Redovisat värde 31 Dec 2023	Redovisat värde 31 Dec 2022
Cheffelo NewCo AB, 559020-2536, Sundbyberg	727 064	100	296 354	296 354

Note 33 Specifications for cash flow statement

Cash and cash equivalents - Group SEK Thousand	31 Dec 2023	31 Dec 2022
The following components are included in cash and cash equivalents:		
Cash and bank balances	91 924	56 002
Total according to consolidated statement of financial position	91 924	56 002

Cash and cash equivalents - Parent company SEK Thousand	31 Dec 2023	31 Dec 2022
The following components are included in cash and cash equivalents:		
Cash and bank balances	5 000	–
Total according to statement of financial position	5 000	–

Interest paid and dividends received SEK Thousand	2023	2022
Group		
Interest received	2 814	1 002
Interest paid	-364	-181
	2 450	821
Parent company		
Interest received	5 798	951
Interest paid	-1	-1
	5 797	950

Adjustments for items that are not included in cash flow SEK Thousand	2023	2022
Group		
Depreciation	47 596	49 873
Impairment	–	120 000
Other non-cashflow impacting items	-1 523	-998
	46 073	168 875
Parent company		
Impairment	–	280 000
	–	280 000

Transactions that do not entail payments SEK Thousand	2023	2022
Group		
Acquisition of asset through leases	11 820	55 243

Reconciliation of liabilities arising from financing activities

SEK Thousand	Leasing liabilities	Total debt originating from financing the business
Group		
Closing balance 2021	113 771	113 771
Cash flow	-22 531	-22 531
Non-cash flow affecting changes		
New leasing agreements	55 243	55 243
Exchange rate differences	2 029	2 029
Closing balance 2022	148 512	148 512
Parent company		
Closing balance 2021	-	-
Cash flow	-	-
Closing balance 2022	-	-

SEK Thousand	Leasing liabilities	Total debt originating from financing the business
Group		
Closing balance 2022	148 512	148 512
Cash flow	-24 551	-24 551
Non-cash flow affecting changes		
New leasing agreements	11 640	11 640
Exchange rate differences	-5 861	-5 861
Closing balance 2023	129 740	129 740
Parent company		
Closing balance 2022	-	-
Cash flow	-	-
Closing balance 2023	-	-

Not 34 Significant events after the end of the financial year

No significant events have occurred since the end of the reporting period.

Not 35 Important estimates and assessments

Management has together with the Board evaluated development, election and disclosures regarding the Group's accounting principles and estimates, as well as the application of these principles and estimates.

Important assessments in the application of the Group's accounting principles

Some important accounting assessments made in the application of the Group's accounting principles are described below.

Key sources of uncertainty in estimates

The sources of uncertainty in estimates listed below refers to those that involve a significant risk that the value of assets or liabilities may need to be adjusted substantially in the coming financial year.

The Company management assesses that none of the asset and liability amounts without controlling influence that are reported are associated with a risk of having to be adjusted to a significant degree during the coming year.

The most significant non-current assets where impairment testing is deemed critical are goodwill and trademarks The estimated recoverable amount for identified cash-generating units relies on several assessments and estimates based on management's best judgment. Changes to these could result in a significant impact on the recoverable amount.
The most significant assumptions are disclosed in note 11.

Not 36 Information concerning parent company

Cheffelo AB (publ) is a Swedish-registered limited liability company based in Sundbyberg. The address of the head office is Löfströms Allé 5, 172 66 Sundbyberg.

The consolidated financial statements for 2023 relate to the parent company and its subsidiar-ies, together named the Group.

The parent company is listed on Nasdaq First North Premier Growth Market.

Declaration

The Board of Directors and the CEO declare that the annual accounts have been prepared in accordance with generally accepted accounting principles in Sweden and that the consolidated accounts have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of July 19, 2002, on the application of international accounting standards. The annual report and the consolidated financial statements provide a true and fair view of the position and performance of the parent company and the Group. The Directors' Report for the parent company and the Group provides a true and fair view of the development of the parent company's and the Group's business, position and results of operations, and of the principal risks and uncertainties facing the parent company and the companies in the Group.

The annual report and the consolidated financial statements were approved for issue by the Board of Directors and the Chief Executive Officer on March 26, 2024, as stated above. The consolidated income statement and consolidated statement of comprehensive income and statement of financial position and the parent company's income statement and balance sheet will be subject to approval at the Annual General Meeting on April 24, 2024.

Sundbyberg, March 28, 2024

Petter von Hedenberg
Chairman of the Board

Johan Kleberg
Board member

Olle Qvarnström
Board member

Charlotte Gogstad
Board member

Therese Reutersward
Board member

Walker Kinman
CEO

Our Audit report was submitted on March 28, 2024
KPMG AB

Fredrik Westin
Authorized Public Accountant

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Auditor’s Report

KPMG

To the general meeting of the shareholders of Cheffelo AB (publ), corp. id 559021-1263

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Cheffelo AB (publ) for the year 2023. The annual accounts and consolidated accounts of the company are included on pages 46-83 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act.

The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the statement of comprehensive income and statement of financial position for the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor’s Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-9 and 20-45. The other information comprises also of the remuneration report which we obtained prior to the date of this auditor’s report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company’s and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility
Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Cheffelo AB (publ) for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions
We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Stockholm 28 March 2024
KPMG AB

Fredrik Westin
Authorized Public Accountant